

A soldier helping police at a roadblock near Belfast yesterday

PHOTOGRAPH: MAX NASH



Martin McGuinness joins the march to the cemetery in Ballina yesterday to commemorate the death of Frank Stagg

PHOTOGRAPH: ALAN REEVILL

Commander John Grieve, head of the Anti-Terrorist Branch, would not predict more bombs. But he did suggest that security managers should clean their video cameras and check there was fresh tape in them

Setbacks on all sides

Papers

UNITED STATES

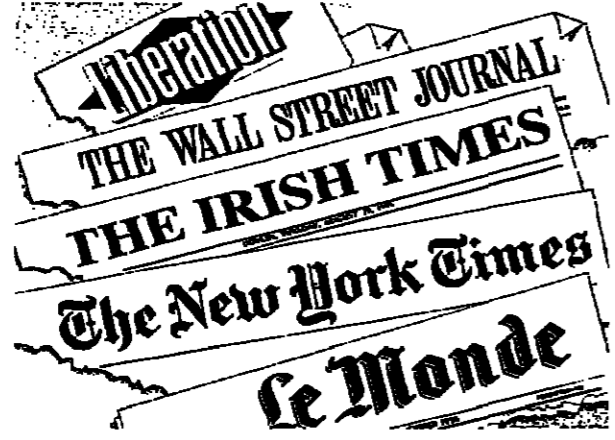
The New York Times says the IRA's leaders "have made a terrible mistake by returning to violence. They cannot gain more through terror than they can through the patient pursuit of peace. If anything, a new campaign of terror will only set back their cause and wound their people."

Mr Major "should reconsider his approach to arranging all-party peace talks. He has been playing a dangerous game of brinkmanship with the paramilitaries, gambling that they would not return to violence and insisting unrealistically that the IRA hand over some of its weapons before such talks could begin. He seemed not to understand that Mr Adams offered a hope for peace and needed to be able to show his followers some concrete advantage in putting down their guns."

The Boston Globe

"The Irish Republican Army says it wants Ireland under a nationalist government. The already dubious prospects for this result were shattered on Friday as decisively as the windows blown out by the bomb in London."

"There are grounds to question Britain's insistence on disarmament and new elections. But by breaking the 17-month-old truce, the IRA has put the onus on itself. Diplomatic manoeuvring cannot be



compared to a deadly assault on innocent people."

IRELAND

Sunday Tribune

"Mr Adams and Sinn Fein cannot have it both ways — they are either committed to peace or they are not. If they are not, they know their future: life as they lived it for the past 25 years and political isolation. If they are committed to peace and demonstrate that commitment, their future is fashioning an accommodation within which they and their neighbours can live happily. Mr Adams needs to decide fast who are his friends and who are his enemies."

Belfast Telegraph

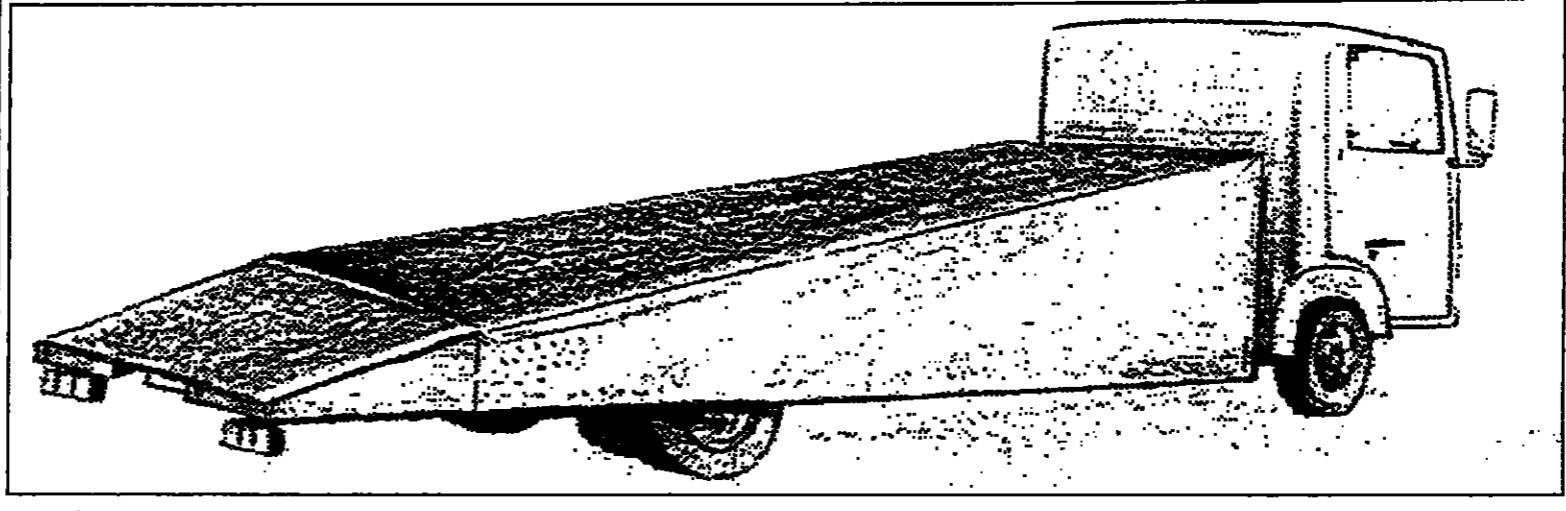
"It will be very difficult — some would say impossible — to pick up the pieces, but it must be attempted. The first

necessity is for the British and Irish governments to patch up their recent differences, which have been so damaging to the peace process, and speak out with one voice against any renewed IRA campaign."

Sunday Independent

"To hope to advance a peace process by acts of terrorism is simply a contradiction in terms. No democratic government or party can act under the duress of such violence to accommodate Sinn Fein around any negotiating table. On the other hand, there is now an urgent need for the Ulster Unionist party leader, David Trimble, to take risks comparable to those taken by Albert Reynolds and John Hume in the past. The time has come for courage and enterprise on the part of all the constitutional parties."

Close shave for PC who found bomb lorry



An artist's impression of the flat-back Ford Cargo lorry upon which Friday night's bomb — weighing between 500lb and one ton — had been placed



Duncan Campbell Crime Correspondent

THE blue flat-back Ford Cargo lorry parked in a slip road outside the South Quay Plaza One building on Friday afternoon was packed with up to a ton of home-made explosives. The vehicle, an artist's impression of which was issued yesterday, is now at the centre of the police hunt for the bombers.

The constable who spotted the lorry and evacuated hundreds of people from the area gave details yesterday of the explosion.

PC Roger de Graaf, aged 30, based at Limehouse police station in east London, said: "There was a rumble and

what felt like a 200mph wind coming past my ears. I was knocked off my feet on to the floor and I curled up like a ball.

"I thought, I'm going to die now, my time is up. I looked around, there was a car coming at me, an automatic stuck in gear. The driver was in shock. I thought, I've survived the bomb. I'm just going to get run over now. I just managed to roll over and the car stopped as its bumper hit my back."

PC de Graaf, who suffered an eye injury, added: "We be-

lieved it was going to be the vehicle." His instincts were correct.

Yesterday Commander John Grieve, head of the Anti-Terrorist Branch, said that they were anxious to trace the movements of the vehicle, which had a false registration plate — C 252 GWO. The vehicle genuinely entitled to this registration is now in the police's possession.

Commander Grieve said that the vehicle had been adapted at some stage and information was being sought on its history. A number of witnesses had seen it prior to the explosion. He would not say how long he believed it had been parked.

"We have got a lot of good closed circuit TV," said Mr Grieve, who gave a press conference at the site of the bomb, with glass still hanging from the windows of buildings nearby and with office fire alarms still ringing. He appealed to security managers to retain all their video-cassettes until it could be checked. "Hang on to your tapes until we know where this lorry has been."

He also appealed to people in the vehicle repair or conversion industry and those involved in vehicle auctions to come forward with information.

The bomb is likely to have been between 500 lb and a ton, he confirmed. It left a 14ft-

wide crater and caused damage of up to £150 million, insurance assessors yesterday suggested.

Mr Grieve said the investigation had been hampered because the explosion had ruptured gas mains. He said it was "amazing" that more people were not killed.

"The IRA is highly conscious of the fact that video surveillance is now established

around many of its likely targets. Although City of London police had run down their "ring of steel", the IRA was aware that all cars going in and out of the City would have their number plates electronically monitored and the chances of leaving a vehicle without being observed by a security camera were limited.

Mr Grieve would not predict whether more bombs would follow. But he did suggest that security managers should clean the lenses of their video cameras and make sure there was fresh tape in them.

The anti-terrorist officers now pursuing the bombers will be aware that no one has yet been successfully prosecuted for many of the IRA's most high-profile mainland attacks.

Those include the 1989 bombing of the Royal Marine bandmen in Deal, Kent, in which 11 died; the 1990 murder of Conservative MP Ian Gow; the 1991 mortar attack on Downing Street; the 1992 bombing of the Baltic Exchange in which three people died; the 1993 Bishopsgate bomb in which one person died; and the 1993 Warrington bomb in which two children

Stray glints of hope amid the darkness

Belfast

John Mullin

BELFAST had made it to the 527th day of peace, the drugs murders and punishment beatings aside, and it even dared to believe it might really be permanent. Few had given it much chance back in August 1994, but scores of lives had been saved.

Yesterday there was a bewildered air of loss. It was the sudden, almost unannounced manner of bereavement which had caught the city of 280,000 souls on the hop.

Suspicion had returned from the back burner. Father Martin Kelly, parish priest at St Agnes Church in republican west Belfast, was unhappy to see a pressman at morning mass. He refused to expand afterwards on his condemnation of the Dockland killers.

"I don't want you near my church," he even refused to divulge his name.

The church choir of school-children summed it up with

Bring Flowers of the Rarest. A girl sang: "I watched the sunshine fading away."

Perhaps the priest's reticence was understandable. The church, which has hosted more terrorist funerals than any other in Northern Ireland, is three doors along from Sinn Fein HQ in Andersonstown.

A green ribbon hung on the crumbling fence of Connolly House with a plea to passers-by to sport green ribbons until all republican prisoners were home. They, and their loyalist colleagues, are unlikely to be back on the streets for some time now.

The congregation of nearly 150 was dominated by grey heads. Many of them were shaking as their owners greeted friends they were seeing for the first time since Friday evening. There was little doubting the topic.

Josephine Fox, 57, a secretary, said: "I think people were having their doubts, but we can hardly believe it has happened like this. The killings are an insult to the people in whose name they were supposedly carried out."

"It has been a lovely 18 months. My greatest pleasure

has been to watch my grandchildren do ordinary things which would be second nature anywhere else. All we can do now is wait. But it does look as though it's only a matter of time before the whole thing kicks off again."

But John Herald, aged 53, a caretaker, saw a problem ahead for the Provisional IRA. "There isn't the will for troubles now. It is true the British haven't played fair, but nobody wants to go back to what it was like before."

Hugh Lavery, aged 57, who runs a newsagent's, said: "I feel angry with myself. I never thought at first it would last for more than five minutes, and there I was allowing myself to think it was for real. You would think I would know better at my age."

Many places in working class Belfast are draped in horror. Outside Mr Lavery's shop was played out one of the most sickening atrocities of the troubles: two soldiers who drove into the funeral cortege of an IRA man in March 1998 were beaten and shot to death.

George Stockman, aged 31, is also a newsagent. His premises are in loyalist territory

on the Shankill Road, across from Frizell's fish shop. Thomas Begley, aged 21, an IRA bomber, took nine Protestants with him to his grave in October 1993.

Mr Stockman, his tattooed arms bearing legend to Glasgow Rangers' treble winning exploits of 1978, despairs of the IRA's move. Most loyalists, he believes, were ready, just about, for Sinn Fein's inclusion at all-party talks before any decommissioning of weapons. "That's what makes what happened in London so desperate. I can't see us getting so close again."

The more middle-class elements in the Unionist camp were turning out at Ian Paisley's cavernous Martyrs Memorial Free Presbyterian Church in east Belfast. The congregation cut an austere dash in charcoal and navy. The women were in hats.

The leader of the Democratic Unionist Party delivered a 50-minute sermon without a single note. "People say we are all responsible for the bombing in London. It's a lie. The people who are responsible for it are the ones who made it, planted it, and detonated it."

His booming voice ebbed and flowed. His crescendos were met amongst the 200 or so churchgoers with shrill Hallelujahs.

The service ended with a hymn, The Abundance of Rain, but it was delivered in an upbeat manner, and outside, as the sun threatened to break through the clouds, one of the worshippers, Michael Whitley, 42, once shot during the troubles, looked on the bright side.

"This is a fantastic country. There are many evil people but the others are the friendliest you could meet."

There were 3,189 people who lost their lives in the 25 years of the troubles. But living went on for the others.

And so it was yesterday in Belfast for old Tommy O'Neill, off on a six-hour round trip to Bray, south of Dublin, to watch point-to-point horse racing: Martin Morrissey, 16, hoping to keep up his goal-scoring efforts as centre forward for the St Agnes church team; and Sharon Hughes, 24, nicknamed Bubbles and the city's most tattooed woman. She was starting her honeymoon yesterday.

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Reaction
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Gerry Adams at the funeral in October 1993 of IRA bomber Thomas Begley

If the shot-across-the bows theory is correct about the bomb, there is the slimmest of hopes that Mr Adams can get his show back on the road. If another bomb goes off, we will know that he has been sidelined

Major 'missed chance'

Reaction

Patrick Wintour

BITTER recriminations broke out across British and Irish politics yesterday over the collapse of the ceasefire. Nationalist politicians and the Irish prime minister, John Major, claimed John Major had squandered an unprecedented chance to end centuries of conflict.

leading Sinn Fein member, was one of Mr Major's most bitter critics yesterday, complaining Sinn Fein had been promised all-party talks within three months of the ceasefire and "in reality there has not been one word of negotiation" between the parties.

tacked Mr Major for imposing a precondition of a start to IRA decommissioning before allowing Sinn Fein into all-party talks. He said the precondition had never been included in the initial Downing Street Declaration.



John Bruton - strong critic; George Mitchell - key report; John Hume - entered caveat

Double-bind threat to Adams's credibility



David Sharrock

THE fog of uncertainty surrounding the future of Gerry Adams may take days to lift, as Downing Street and Dublin scour intelligence reports for evidence that there is still some point in talking to him.

The Sinn Fein president's role in the Northern Ireland peace process was absolutely central to the success of the IRA's bombing the Isle of Dogs last Friday.

Government officials on both sides of the Irish Sea want to know: Did he know of the bombing in advance? If he did, his credibility as a man exclusively committed to peaceful methods is shattered; but if he didn't, has he now lost his position of influence within the IRA?

Whatever the answers, there can be no doubt that the announcement ending the ceasefire is a shattering blow to Adams and the peace strategy he has painstakingly constructed, in the face of opposition from within his own camp and from outside.

The Sinn Fein president did not run for cover this weekend. He fielded interview after interview, refusing in each to condemn what for all his new-found allies - constitutional Irish nationalists and republicans - is the indefensible resort to murder and mass destruction, tactics of a republican movement everybody hoped had gone for ever.

He claimed - and it is widely believed - that he knew nothing about the bomb until he was informed by reporters telephoning him for confirmation that the ceasefire was about to end. It is more likely that he may have been aware that decisions had

been taken in the light of the political situation, but not what their consequences would be or when they might take place.

Asked if he would now be stepping aside, Mr Adams played the demagogue. He had no plans to resign, but if that was the popular opinion of his party, he would be best at standing aside for a new leadership to take over.

But the price of survival may be high. The resumption of "military operations" is totally at odds with the objective of reaching all-party talks with Unionists. If the shot-across-the-bows theory is correct about the Docklands bomb, there is the slimmest of hopes that Mr Adams can get his show back on the road.

But the collapse of the ceasefire finally exposed the inherent weaknesses in the Sinn Fein president's strategy. Republicans were prepared to suspend judgment so long as there appeared to be real gains, but as the months dragged into years the contradictions began to emerge into painful clarity.

For beneath the sometimes baffling Sinn Fein-speak of the retreat from old slogans like "Brits Out" and "End Partition" and their replacement with the jargon of "national self-determination" and "parity of esteem" there was the reality of the deal which Mr Adams had struck with Albert Reynolds, the former Irish prime minister, who insisted the IRA's arm at the correct moment.

The evidence is in black and white, because Mr Reynolds's former press secretary, Sean Duggan, has published his diaries of the period when the IRA was making its decisions. In January 1994, the taoiseach insisted: "I'm tell-

ing Sinn Fein that I won't bend on the simple principle that self-determination by the people of Ireland as a whole cannot be exercised without the governmental consent of the majority of the people of Northern Ireland."

Two months later he was convinced that the Sinn Fein president wanted to deliver on the Downing Street Declaration, but "I don't know whether he can actually deliver the IRA."

By August Mr Reynolds boasts: "They (IRA) have nowhere to go. I've stripped away all their excuses, one by one. In the final days the taoiseach is laying down the law. 'I've told them if they don't do this right they can shag off.'"

The surprise is that after 25 years of violence the leadership of the republican movement seemed prepared to settle for so little. The weakness may be that Mr Adams had not taken sufficient care to bring the rank and file with him.

But the Unionists were not prepared to play by the rules of the republican movement and John Major was not in a strong enough position to coerce them to the table. In the end the republican movement's internal tensions proved too much.

The IRA has gone back to war for all the wrong reasons, or for one overriding reason, the obsession with preventing a split. The old IRA leadership was unseated by Mr Adams's camp, including Martin McGuinness, because of a long ceasefire in the mid-1970s which nearly destroyed the movement. It has haunted them since. But they know that there can be no military solutions.

Mr Adams insisted again yesterday that he and Sinn Fein remain committed to the peace strategy, but without the IRA's acquiescence it will not wash.

There may be one tiny, bitter grain of consolation for the Sinn Fein president. Without the party, without the IRA, there can be no peace in Ireland or Britain and the two governments know that. Sooner or later, after possibly thousands more futile deaths, the talking will have to begin all over again.

Ceasefire opposition started in November

The IRA

David Sharrock
Ireland Correspondent

ONLY the timing of the bomb that blasted the London Docklands came as a surprise to many in Ireland. Last November, Sir Patrick Mayhew, secretary of the British Government, was saying that the ceasefire would end very soon unless the Government moved to all-party talks involving Sinn Fein. He pointed out that the British Government had never been included in the initial Downing Street Declaration.

The Northern Ireland Secretary, Sir Patrick Mayhew, countered that it had been implicit in the declaration's calling on all parties to be wholly committed to peaceful means. He pointed out that the British had made important concessions by dropping its demand for an IRA commitment to a permanent ceasefire.

John Bruton, the Irish Prime Minister, focussed his regrets on the British government's response to the Mitchell Commission. He also blamed the Unionists' lack of generosity of the Sinn Fein community over the past 15 months that they would not even talk to the Irish government in a twin track process agreed by their government.

His foreign secretary, Dick Spring, also complained. "We could have used the Mitchell Report to far better purpose." Sir Patrick disagreed, arguing that the key remained finding a way for the Unionists to trust Sinn Fein.

was taken by the Army Council, whose members are from all parts of Ireland, North and South. Once the decision had been made in principle, logistical and strategic planning would have been left to General Headquarters Staff, based in Dublin.

GHQ Staff run a series of departments, including Quartermaster, Finance, Engineering, Intelligence, Publicity, Security Operations and Training. The England department is regarded as most important, and has evolved from the era of relatively crude, but none the less effective operations such as

the bombing of Whitehall and the Old Bailey in 1974, which resulted in the imprisonment of Gerry Kelly, a Sinn Fein delegation member at last year's Stormont talks.

In recent years the IRA has become adept at sending "sleepers" to Britain - volunteers with no police or security records, to blend in and await the call. The organisation's cell structure, introduced by Gerry Adams and others in the late 1970s, according to the security forces, ensures that volunteers called together to carry out a mission would not know one another. The possibility of information leaks is therefore all but ruled out.

The construction of the 900lb Docklands bomb and its installation in a stolen vehicle near a prestige target may have taken the team two weeks to organise, with absolute secrecy at IRA leadership level. The fact that senior members of one of the IRA's two regional commands would not have known what

was about to take place is therefore not surprising.

IRA Southern Command takes in 21 counties of the Irish Republic, its Dublin brigade and rural active service units work mainly in a quarter-century capacity for Northern Ireland. Command, minding the huge weapons bunkers that are believed to have been dug in the counties of Limerick and Kerry. Southern Command's operations have been more sceptical about the merits of the ceasefire, a fact which prompted one senior republican to observe acutely last year that it was because they did not have to live with the direct consequences of life in the "war zone" - IRA Northern Command area of the six counties of Northern Ireland and the five border counties.

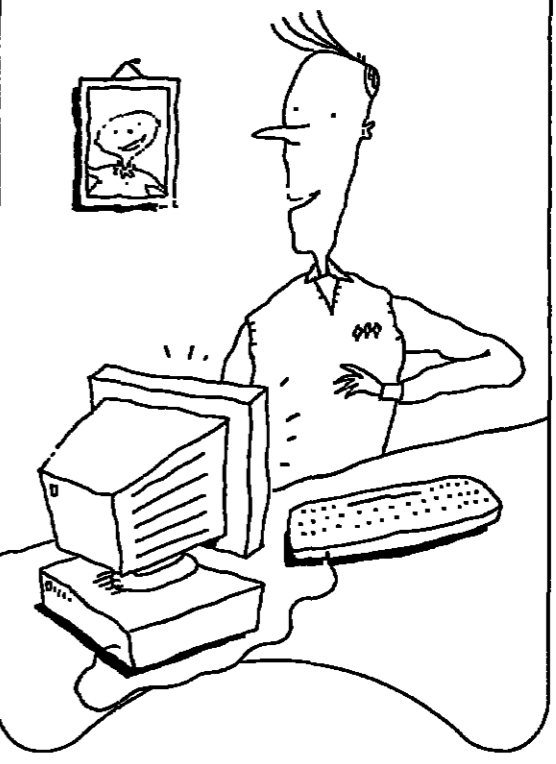
The most vocal opposition to the ceasefire is believed to be based around south Armagh and Dundalk.

As an army, the IRA did not require the absolute support of all its members for the August 31 1994 ceasefire declaration, although it is now clear that the Sinn Fein president, Gerry Adams, was coaxing a majority towards that route from as early as 1988. In the summer of 1994 an IRA briefing document was circulated, explaining the grounds for ceasing fire. "Republicans at this time and on their own do not have the strength to achieve the end goal," it read. "The struggle needs to be strengthened; most obviously from other nationalist constituencies led by SDLP, Dublin government and the emerging Irish-American lobby."

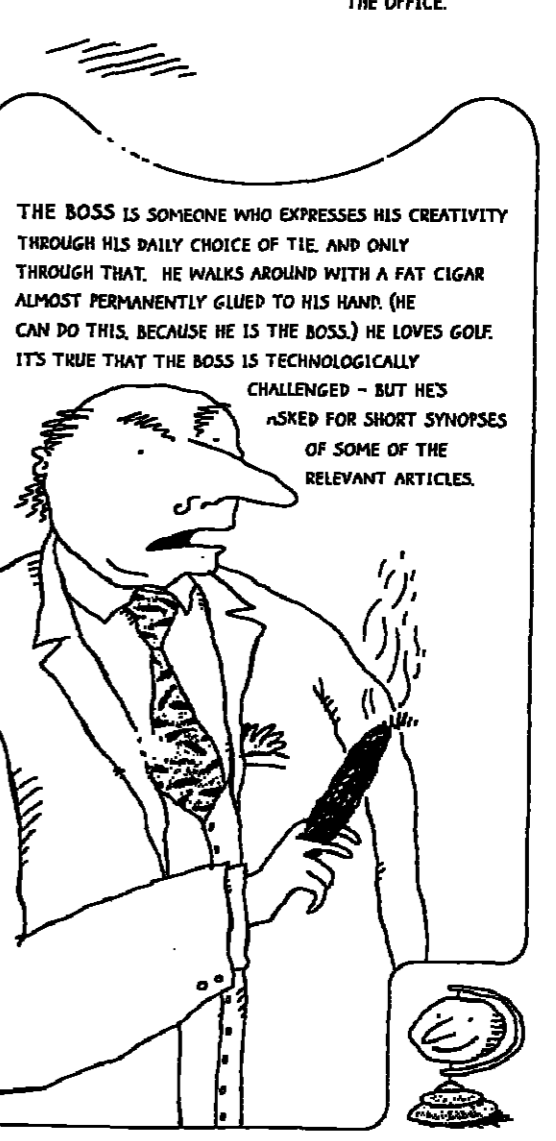
Senior republicans last year warned that if the British government intended to secure the defeat of the IRA - which it had been incapable of achieving through military means - then the ceasefire would end. John Major's announcement that he would enable elections to take place in Northern Ireland was the final signal.

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OLIVER WORKS FOR A SUCCESSFUL COMPANY, WHICH GOT SUCCESSFUL BEFORE HE ARRIVED HE'S A "MIDDLE MANAGER", WITH ALL THE SENSE OF PURPOSE AND JOB SATISFACTION THAT GIVES (I.E. NOT A LOT) HE STRUGGLES WITH ALL THE LATEST TECHNOLOGICAL STUFF - BECAUSE HE'S A HUMAN BEING, AND HIS HOBBIES INCLUDE FALLING IN LOVE WITH SOME OF THE WOMEN AT THE OFFICE (INCLUDING SASHA)



CLAIRE IS A BABY, WHO ACCOMPANIES OLIVER TO WORK FOR REASONS WHICH NOBODY REALLY UNDERSTANDS. (INCLUDING THE CARTOONIST), SHE CAN SEE THROUGH MOST OF THE ABSURDITIES OF CORPORATE CULTURE, BUT THEN AGAIN, KIDS ALWAYS CAN. SHE... FLOATS AROUND THE OFFICE.



THE BOSS IS SOMEONE WHO EXPRESSES HIS CREATIVITY THROUGH HIS DAILY CHOICE OF TIE, AND ONLY THROUGH THAT, HE WALKS AROUND WITH A FAT CIGAR ALMOST PERMANENTLY GLUED TO HIS HAND. (HE CAN DO THIS, BECAUSE HE IS THE BOSS.) HE LOVES GOLF. ITS TRUE THAT THE BOSS IS TECHNOLOGICALLY CHALLENGED - BUT HE'S ASKED FOR SHORT SYNOPSIS OF SOME OF THE RELEVANT ARTICLES.

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The dramatic aftermath of Friday's bomb at South Quay. Those assessing the damage say that although the buildings may look like skeletons with the windows blown out, their fabric may still be sound. PHOTOGRAPH BY DAVID SILLITOE

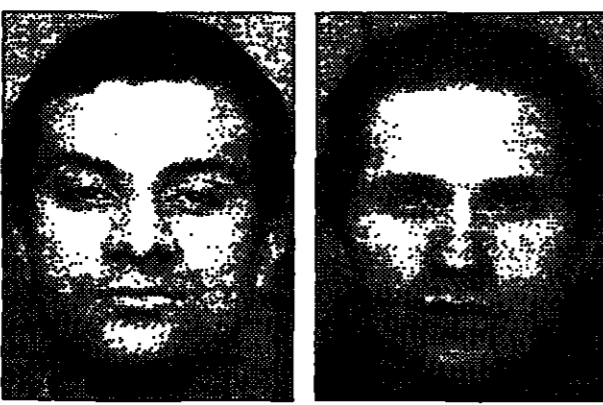
At 6.30pm, when Ishan heard about the security alert, he called his brother in Docklands and told him and his friend to clear out. Those were the last words they exchanged. Twenty two hours later, police found two bodies.

Dead friends mourned

The victims

Alex Bellis

INAN BASHIR was a well-known face to the hundreds of office workers who regularly used his newsagent's at South Quay, the scene of Friday's blast. Early evenings were always the busiest time, when he sold a fare of the London Evening Standard and snacks for commuters about to go home. Last Friday had started like any other: the morning trip up from Streatham in south London where Bashir, aged 29, lived with his parents. But Fridays being particularly hectic, he had asked his friend, John Jefferies, aged 31, to help out. Both Bashir and Jefferies were steeped in the newspaper trade. Bashir's elder brother, Ishan, runs another newsagent's in Fleet Street, on the edge of the City, where Jefferies used to have a pitch selling the Evening Standard. At 6.30pm, when Ishan heard about the security alert, he called his brother in Docklands and told the pair to clear out immediately. But those were the last words they exchanged. Once the bomb went off, members of both families rushed to the scene but were not allowed past police cordons. They were confused — police believed there had been no fatalities, yet Bashir and Jefferies were still missing.



Killed by the bomb: Inan Bashir (left) and John Jefferies

Jefferies' father, a retired carpenter also called John, said: "I went to Canary Wharf to see if he was on the list but he was not on any list of casualties and I didn't know what to think." Twenty two hours later, police found two bodies. It became clear the two men had not evacuated in time. The Bashirs were yesterday grieving at their home in Streatham. Ishan described his brother as "a lovely man" and Jefferies as "like a brother to me". Mr Jefferies was taken by police from the council house in Bromley where he lived with his son to stay with a friend. Neighbours said his son had been well-liked in the area, and was known for his passion for music. He had wanted to be a pop star and wrote his own songs, said his friend Terry Elliot, a

Shattered showpiece counts the grim cost



Owen Bowcott and Pauline Springett

THE VAN bomb which inflicted up to £150 million-worth of damage on the Isle of Dogs' prestigious South Quay business complex left a familiar toll of debris, mourning and confusion its wake yesterday. Parked glassiers' vans congested local roads, police officers with grim faces warned off sightseers at the lines of security tape and, overhead, office blinds fluttered limply from bare window frames. What had been a waterside showpiece for 1980s-style free market enterprise stood utterly disfigured. Three blue, glass-plated office blocks on the quayside and a Midlands Bank building opposite the Docklands Light Railway station had borne the main impact of the blast. Most of the damage was caused by the direct force of the explosion, gouging out a deep crater and radiating shock waves. However, the pattern of destruction was uneven. In places, single windows were sucked out by the vacuum which followed the first pressure wave or pushed in by the

blast as it reflected off neighbouring buildings. Loss adjusters, the Association of British Insurers and the London Docklands Development Corporation (LDDC) yesterday assessed the cost of the damage variously at between £90 million and £150 million. Liability will be borne by a special fund, Pool Re, established by the insurance industry to pay for terrorist damage in the aftermath of past IRA bombs in Bishopsgate and the City. If costs exceed reserves in the fund, the Government will be forced to cover extra expenses. The fund is presently understood to contain several hundred million pounds, and the Exchequer may avoid having to dig into its pockets. In advance of structural surveys, it was uncertain yesterday whether any of the buildings hit had been so badly damaged that they would have to be demolished. "With modern buildings it is quite difficult to tell how much damage has been caused," an LDDC spokeswoman said. "Though the buildings may look like skeletons with the windows blown out, the actual fabric may still be sound." However, compared to the chaos wreaked by the Bishopsgate bomb in 1993, the scale of the destruction at South Quay was far less. After that explosion — which ultimately cost £300 million — it was two and half years before Commercial Union could return to its premises. This time, the disruption has affected as many as 20 important companies, but the LDDC insists confidence in the long-term future of Canary Wharf and the Docklands has not been dented. "This is a setback, but it is

not going to stop us," the spokeswoman added. "I don't think the area will be any less robust. If Harrods bounced back, so can we." Casualties at South Quay could have been even greater if one of the largest office blocks damaged by the bomb had been occupied. The Wiggins building was awaiting commercial clients. The arcade of shops on South Quay sustained the heaviest damage, but the blast even knocked out windows in the Credit Suisse building half-a-mile away. "My car's still down there," one frustrated office worker said as he waited at the security cordon. "There was just this massive explosion and I ran. My keys are in the office." Many families in the upper storeys of nearby tower blocks had their windows blown in. "We have had instances where glass has cut into the bed," Dennis Toomey, leader of Tower Hamlets council, said. "Hopefully no one will lose their homes, but flats near the top floors may have been very badly damaged. This will cost us hundreds of thousands of pounds — if not millions." In November 1992 an IRA attempt to bomb the Canary Wharf tower was thwarted by security guards, who challenged a transit van loaded with a similar bomb. By targeting Docklands, the IRA has adapted its strategy of inflicting damage on financial corporations. Standing at the white tape yesterday, Richard Tazari surveyed the wreckage where his sandwich bar had once stood. "They've really put me out of business," he said. "I thought we'd seen the last of all this."

'At 7.01pm there was a noise like the door of a padded cell slamming, soft and vast. I went deaf' — Nancy Banks-Smith and her dog were near Canary Wharf when the bombers struck

Eyewitness

THE solid body of Otis the dog, put down as a supposed pit bull, was lying on the pavement outside Limehouse police station. A small bunch of us had gathered in woolly hats and the darkening damp to make a fuss about this. There was a rather ragged chorus of "murderers!" A small crew from London Tonight were covering the story. It is the sort of job a junior reporter gets on a Friday night. The police had been slow to produce Otis's body. They said there was a bomb scare. We said that was a likely story. In retrospect everything — the body, the TV crew, the anger — seemed like a parody of what was to come. Eric and I went home on the Docklands Light Railway. Eric is my dog. From the little train, which winds overhead, the lights of the glass palaces are reflected in the darkness of the water. Very like Disneyland, where monsters from the black lagoon raise snakey heads as your little train passes. No monsters here. At Canary Wharf station we were told there was a security alert, and we should continue by bus. Canary Wharf looks like the opening titles for Dallas: a fountain, a skyscraper. The bus stop is solid glass. A dozen of us were waiting. There was a woman with a sheaf of Madonna lilies and a bunch of young lads trying to

get to the Arena. They had tickets for a basketball match, which started at 7pm. It was 7pm. Now. At 7.01pm there was a noise like the door of a padded cell slamming, soft and vast. I went deaf. A woman fell flat on the pavement, her bags of shopping spread out on either side like plastic wings. Eric collapsed. A fleet of black cabs, look off from their rank in perfect formation like bats out of hell. Their lights were on but they weren't picking up anybody. Everyone started to run and, as they ran, they all turned their heads and looked back at Canary Wharf Tower. I picked up Eric and ran after them. There were fire engines, ambulances, police cars and a helicopter, but no buses. Mobile phones were out in force but public phones were dead. We all trudged like a column of refugees. It is about four miles round the Isle of Dogs. On TV Richard Gaisford, the young reporter who had been doggedly covering Otis, was now covering the bomb. London Tonight said they were the first crew on the spot. They didn't say why. My picture was full of snow because the cable company's dish had been knocked askew by the blast. Eric? He has started to run away. I found him yesterday, after hours of searching among shattered glass, with a film crew who were shooting Bugs. There is always a film crew shooting on the island. For one reason or another.

M15 was taken by surprise

Intelligence

Duncan Campbell, Richard Taylor and Owen Bowcott

WHEN he was appointed head of the Anti-Terrorist Branch last December, Commander John Grieve quoted the Nobel Prize-winning Irish poet Seamus Heaney: "By its very nature, the atrocious is always with us." Yesterday, five other victims were still in hospital. Zaoui Berrezag, aged 55, was in the intensive-care unit of the Royal London Hospital with serious face and skull injuries. His son Farid, aged 17, is recovering after two operations to remove shrapnel. The others were a woman aged 23 and a man aged 51, both with serious facial wounds, and a man aged 34 with head and back injuries.

caught by surprise. Though it had stepped up surveillance of suspects on the mainland, it misjudged the IRA, and was over-optimistic about the chances of the ceasefire holding. M15 also continued to advise that the influence of Gerry Adams, the Sinn Fein president, on the IRA was as strong as ever. Intelligence problems were compounded by the deaths of the most senior Special Branch, M15 and Army intelligence officers in a Chinook helicopter crash in Scotland in early 1994, and by the reduction of the Metropolitan Police anti-terrorist branch by one fifth. RUC sources claimed yesterday that M15 had ignored warnings in December from informants of an imminent breakdown in the ceasefire. They also claimed M15 had played down evidence of growing opposition to the ceasefire among sections of the IRA, including units in South Armagh and Tyrone. Friday's bomb showed that, despite more than 2,000 officers from both M15 and the police available for intelligence-gathering and infiltration, the security services have been unable to penetrate the higher levels of the IRA.

5 LATER ...

FOR SOME REASON, I SUDDENLY FANCY A PIZZA.

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Hamilton in new row on hospitality

Rebecca Smithers
Political Correspondent

NEIL Hamilton, the former corporate affairs minister, will this week be reported to the new Commons ethics watchdog over allegations that he failed to declare thousands of pounds worth of free hospitality from a US tobacco company which he helped with a political campaign.

The allegations will further embarrass the Tories in the same week as publication of the Scott report dealing with government probity, and will undermine Mr Hamilton's attempt to become leader of the influential 1922 group of rightwing backbenchers.

Mr Hamilton was forced to resign in October 1994 at the height of a row about Tory sleaze. It was claimed that he accepted payments from the Harrods owner, Mohamed Al-Fayed, through the parliamentary lobbyist Ian Greer Associates, for asking questions in the Commons on Harrods' behalf.

Mr Hamilton, MP for Tatton, had also failed to declare a six-day visit to the luxurious Ritz hotel in Paris — also owned by Mr Al-Fayed — where he ran up a bill of more than £4,500.

Alex Carlile, the Liberal Democrat MP for Montgomery, plans to submit a complaint to the new parliamentary ombudsman, Sir Gordon Downey, by tomorrow, calling for him to investigate the new allegations.

They involve Mr Hamilton's free stays in the late 1980s at hotels in London and New York at the expense of US Tobacco, a company he was helping to try to overturn a proposed British ban of one

of its products Skoal Benders, a chewing tobacco linked with cancer.

Last night Mr Carlile said he had been made aware of the allegations around the same time as the Sunday Times, which ran a story yesterday.

"It's not for me to judge the truth or falsity of these allegations," he said. "The position is that I was made aware of them and the Sunday Times has evidence in relation to them, which to me seems so serious that a careful adjudication of them is required."

It is understood that Mr Hamilton — who was not a minister at the time — approached several ministers to persuade them to overturn the proposed ban, including David Milledge, the then health minister, and foreign secretary Lord Howe.

Mr Carlile's complaint follows an investigation by the select committee on members' interests into Mr Hamilton's stay at the Ritz.

The Tory MPs on the committee strongly criticised Mr Hamilton for not declaring it, but have yet to report on the separate cash-for-questions allegations. His libel action against the Guardian was halted last year because the action conflicts with rules over parliamentary privilege.

The fresh allegations may do little to impress his fellow backbenchers, where he is currently canvassing support for the chairmanship of the 1922 group, challenging the incumbent, John Townend. Last night Mr Hamilton was not available for comment.

A Labour spokesman said: "In the week when the Scott report is published, it is highly embarrassing that a former minister is now under scrutiny for failing to declare hospitality."

Seaside projects from Fife to the Lizard combine in cash call for 'urgent investment'



Litterally urgent... Covehithe in Suffolk, where funds are sought for a coastal path to help protect the environment

PHOTOGRAPH: EAMONN MCGABE

Lottery bid by resorts

James Melville
Community Affairs Editor

STRUGGLING seaside towns and the guardians of some of the country's best-loved beauty spots have combined to make a £20-million bid for National Lottery cash.

Multi-million pound schemes such as a "discovery centre" relaying television pictures of wildlife to visitors on the shore of Morecambe Bay are included with similar projects like a marine museum celebrating the fishing industry in Beer, east Devon.

Landscaping on Lizard Point, Cornwall, cycle paths in Fife, Scotland, and a spruce-up for the village of Forthwithelen, Gwynedd, are among 250 linked proposals seeking between £250,000 and £5 million to match privately raised funds.

Adele Bliss, chairman of the English Tourist Board, said the package, the most geographically scattered bid so far made for Millennium funding, would increase public enjoyment of the shoreline and protect the environment.

"If future generations are to make the most of our splendid and diverse coast, urgent investment will be needed," she said.

Six winners won more than £1.5 million each as they shared Saturday's £9,294,294 National Lottery jackpot. The winning numbers were: 4, 11, 14, 15, 28 and 42, with the bonus ball 6.

Rail chief voices inquiries fear

Rebecca Smithers
Political Correspondent

THE Government's rail regulator has admitted that individual train operators are failing to deal quickly enough with passengers' telephone inquiries about rail services, amid growing fears that the companies will be unwilling to invest in a comprehensive national information scheme after privatisation.

Labour condemned the admission as more evidence of the damage being caused by the fragmentation of the network. It comes just days after the biggest setback yet for privatisation, when the Government was forced to cancel the transfer of the London, Tilbury and Southend franchise to its management team because of an alleged ticketing fraud.

John Swift QC, the government-appointed regulator responsible for ensuring fair competition on the privatised railway, reveals his fears about the existing system — based on British Rail's telephone inquiry bureaux — in a letter to Labour's transport spokesman, Brian Wilson, which he received this week.

"I am concerned at the difficulty being experienced in obtaining information over the telephone. A condition of every operator's licence is to have approved arrangements for a national telephone in-

quiry service. I approved a telephone inquiry bureau scheme in July last year. A key feature of that scheme is that it includes an obligation on operators to achieve quality of service, standards which, it has to be said, are not generally being achieved now in terms of the speed with which calls should be answered."

Mr Swift goes on to say that British Rail and the Association of Train Operating Companies are working on a project to expand and improve the existing service. But the individual companies taking over franchises do not have an obligation to participate.

"I will be doing whatever I can to facilitate successful implementation since I believe that easy access to national, impartial and accurate information is a key element in ensuring the continuation of key network benefits such as through-ticketing," Mr Swift wrote.

With little more than one-third of travel involving journeys with more than one train operator, it seems unlikely that private operators under commercial pressures will want to invest in a new national scheme.

While still a unified network, British Rail was responsible for both telephone inquiry bureaux and timetabling. But last autumn Railtrack had to reprint its timetable because of the huge number of errors it contained.

Murder appeal lawyers to say drug dealer need not have died

Duncan Campbell
Crime Correspondent

THE police force that investigated the Fred and Rose West case will come under scrutiny at the Court of Appeal today when a controversial murder conviction is challenged.

Lawyers for two men convicted of murder in Gloucester in January 1989, will argue that the dead man need never have died.

Gary Mills and Tony Poole were convicted at Bristol crown court in January 1990 of the murder of Hensley

"Willy" Wiltshire the previous year. In what was seen as a drug sub-culture murder, Mills was alleged to have stabbed Wiltshire, a London drugs dealer, with a knife and struck him with a crowbar. Poole was said to have also stabbed him. Wiltshire died the following day.

At the trial, the defence argued that Mills had used the knife in self-defence and that Poole had not taken part in the fight. It was claimed that Wiltshire had gone for Mills with a knife. After the fight, Wiltshire was taken to hospital where he was uncooperative.

In what the defence suggest was an extraordinary sequence of events, he was then discharged into police custody because officers wanted to interview him on another matter. A police surgeon then had him transferred back to the hospital where he was said to be walking around unaided but then again released into police custody. His condition deteriorated in the police cell and he died 15 hours after the attack.

The case was taken up by the Channel 4 programme, Trial and Error, which re-investigated it. A documentary was broadcast in January

1994. Its investigation indicated that Wiltshire's injuries had not been life-threatening nor in the region of a vital organ. It also suggested, as had the defence at the trial, that a prosecution witness, Kim Stadden, was unreliable in that her story had changed. Leave to appeal was granted but it has taken the men a further two years for the case to be heard.

The case featured in the West trial because one of the chief prosecution witnesses against Mrs West was Kathryn Halliday who had had a six-month affair with Mrs West while living with Ms Stadden. Another link is that Detective Superintendent John Bennett led both inquiries.

In the appeal, it will be argued that Wiltshire need not have died. An American specialist, Don Drunkley, one of the world's leading experts on accident and emergency care, will be giving evidence about the treatment that Wiltshire should have received.

The case, which is expected to last four days, is significant in that it will put under scrutiny the methods of Gloucestershire police, who will strongly defend their actions. A Police Complaints Authority investigation cleared all the officers concerned.

It also raises the issue of the death of someone who, if treated in an appropriate way, might have recovered speedily.

Mills and Poole have been campaigning from prison, where they are currently in Long Lartin jail in Worcestershire — for a number of years. Their case is one of a number that have the backing of campaign groups involved in alleged miscarriages of justice.

Yesterday a spokesman for their defence campaign said: "Neither Gary nor Tony were responsible for the death. There is new medical evidence to support their innocence."

Ministers warned on Scott report

Tory MPs insist guilty be punished, writes Richard Norton-Taylor

A LEADING Tory backbencher yesterday gave a fresh warning that individuals should be "chucked in the Thames" if they are found by the Scott report to have misled Parliament.

Sir Teddy Taylor, MP for Southend East, is among a group of Tory MPs who have warned ministers they cannot simply brush off the report if it clearly shows that ministers had behaved improperly.

His warning, on BBC Television's On The Record programme, comes as ministers and top civil servants gear themselves for an unprecedented back-passing exercise — with profound constitutional implications — in the face of Sir Richard Scott's long-awaited report into the arms-Iraq scandal, to be published on Thursday.

Tristan Garel-Jones, the former Foreign Office minister who signed public interest immunity certificates — so-called gagging orders — in the Matrix Churchill case, said yesterday that the report would be "inimical to the interests of the state".

"Damage will have been done to the standing of the public service with little or no contribution to the governance of the kingdom," he wrote in the Sunday Telegraph.

Tony Blair, the Labour leader, said yesterday that after all the Government's "gloss and spin" there were only three questions that "stand out like beacons demanding to be answered": were the guidelines on arms exports to Iraq changed? were Parliament and the public misled? and did the Govern-

ment have information which showed beyond doubt that the Matrix Churchill trial should not have proceeded?

He told a Labour conference that the Scott inquiry was "a symbol" of how secretive government had become. Britain should have a full and proper Freedom of Information Act, opening up the corridors of power to the eyes of the people.

Charter 88, the constitutional reform group, today calls for a Civil Service Act to avoid officials being placed in the ethical and moral predicament thrown up by the arms-Iraq affair.

The act would state that civil servants owed their duty to the "public interest" rather than merely serving ministers of the day.

"A Civil Service Act would stop civil servants being the property of ministers — it would enable us to feel sure their ultimate loyalty was to democracy and not to the government of the day," said Andrew Puddaephatt, Charter 88's director.

The 1,600-page Scott report is "rich in detail" but a damning indictment of Whitehall conduct and its culture of secrecy, and will almost certainly conclude that MPs were repeatedly misled over the Government's policy towards Iraq.

It names senior civil servants in the Department of Trade and Industry, the Foreign Office, and the Ministry of Defence, as well as officials in Customs and Excise and the Treasury Solicitor's Department who handled the prosecution of three former directors of the Matrix Churchill machine tool company.

The Government is expected to place the blame on inadequacies in "the system", avoiding the central issue of who was responsible. Senior civil servants say this sidesteps the principle of ministerial responsibility to Parliament.

Prisoners hold officer hostage

Angella Johnson

A PRISON officer was being held hostage by two inmates at the top-security Whitemoor jail last night, the prison service said.

The male officer was not identified. Whitemoor is a Category A prison in Cambridgeshire, and was the scene of an IRA break-out two years ago.

Thirty police officers, prison officers in riot gear, and firefighters were on standby. A prison service spokesman said the officer had been taken hostage at about midday and trained negotiators were at the jail.

The identity of the inmates involved was not released, but they were not from the special security unit which houses several IRA prisoners. Prison officers could not confirm whether anyone had been hurt.

Whitemoor houses some of the country's most dangerous criminals and suffered a number of high-profile embarrass-

ing incidents in recent years.

In 1994, a security officer at the jail was shot during an escape by six prisoners, five of them IRA men serving up to 30 years for their parts in terrorist campaigns.

They were recaptured shortly afterwards. Weeks ago, a massive search at Whitemoor uncovered two duplicate key patterns to prison doors, designed for use in an escape.

Last year, IRA prisoners staged a "dirty protest", spending weeks in cells smeared with excrement and wearing only blankets in an attempt to force the Government to transfer them to prisons in the Irish Republic.

The prison service denied that inmates were refusing to return to their cells. "Extra officers have been drafted in and the majority of the prison is calm and under control."

The police operation was being headed by Chief Superintendent, Richard Cannell, who was inside and thought to be working with the negotiating team.



Tony Poole (left) and Gary Mills... injured man discharged from hospital twice

Bypass march claims protest record

Alex Bellon

ABOUT 5,000 people marched along part of the route of the proposed Newbury bypass yesterday. In what environmentalists claim was the largest ever single demonstration against road-building in Britain.

Friends of the Earth, which advertised the rally on the front pages of national newspapers, organised at least 40 coaches from all around the country and arranged a shuttle service from Newbury rail station.

Demonstrators carried placards with slogans such

as Stop the Road, Save the Trees, and Local People Against The Road as they walked two miles from Snelmore Common, site of the largest protesters' camps, to Bagnor.

Tony Juniper, deputy campaigns director, said: "It was a huge success. The cross-section of people was incredible. There were locals and non locals, and people of all ages. It is the largest demonstration we have organised in recent years."

A Thames Valley Police spokesman said the protest was peaceful and there were no arrests.

The march was organised to keep up the pressure on

the Government to abandon the 9½ mile road, which is due to take more than two years to complete. The building company now at work is only contracted to clear the route, and the Highways Agency will announce who is to build the road itself in the next few months.

The protest is predicted to reach a flashpoint this week when bailiffs are sent in to evict people living in treehouses on the route.

A High Court order was given to Nick Blandy, Sheriff of Berkshire, last month but it has taken him several weeks to organise the bailiffs, who include a team of tree climbers. Like the

protesters, the climbers are veterans of previous road protests, and several on each side know each other.

Protesters believe the bailiffs could move in any day now, and are securing their treehouses as well as roping up walkways between trees. There is an appeal against the High Court order.

After yesterday's "official" rally, other protesters have declared today an unofficial "day of action" and hope to bus in a few hundred people to try to stop the tree-felling. It is believed they aim to provoke mass arrests for aggravated trespass under the Criminal Justice Act.

Youth who said no to drugs critical after drink 'spiked'

Gary Young

A YOUTH who told his friends to say no to drug pushers in an hotel was in a critical condition in a mental hospital yesterday after the dealers apparently spiked his drink.

James Fountain, aged 16, was celebrating the end of his mock GCSE exams at a hotel party in Sedgfield, County Durham, when he advised his friends, from the Yarm public school in Teesside, to refuse the offer. In revenge the drug pushers slipped crushed pills into his glass of lemonade, which were believed to contain either LSD or Ecstasy.

Yesterday, eight days after

the event, James was said to be "drifting in and out of consciousness and unable to string more than two sentences together".

A spokesman for St Lukes Psychiatric hospital, Middlesbrough, said James's condition was not life threatening.

When James arrived home in Hartlepool, Cleveland, his parents had thought he was drunk. It was only after he wandered around the house in agony that they took him to the Hartlepool general hospital. He was later transferred to St Luke's.

On Friday police raided the hotel and arrested six men, seizing cannabis and weapons including a CS gas canister and an imitation gun.

World news in brief

Two car bombs shatter Algiers

A CAR BOMB killed at least 17 people and wounded 53 yesterday in the centre of Algiers. It was the second bomb in the Algerian capital yesterday and exploded in the Belcourt district, the security forces said in a statement carried by the Algerian news agency, APS. The first bomb, in the Bab El-Oued district, wounded 41 people, officials said. One eyewitness said a bus was passing when the second bomb exploded outside the offices of the newspaper Le Soir d'Algérie. "There are a lot of casualties," the eyewitness said. The paper's offices are in a centre known as La Maison de la Presse, along with the offices of other big newspapers, including El Watan and Al Kababir. The dead included at least one journalist and one newspaper employee, journalists said. "A journalist working for Le Soir d'Algérie and a technician were among those killed," one journalist said. He added that he and colleagues saw the bodies of the two men. The statement from the security forces said the bomb, which exploded at 3pm, caused serious damage. Earlier yesterday, at about 9.15am, a car bomb destroyed the town hall in Bab El-Oued, a crowded working-class district and a fundamentalist Muslim bastion. Forty-one people were wounded, six seriously, according to the latest official toll. Algerian authorities have blamed a series of bombings - which in the past week now total four - on Muslim militants fighting to topple the government. - Reuters, Paris

Meningitis sweeps Nigeria

AN OUTBREAK of meningitis has killed at least 465 people in northern Nigeria, health officials said at the weekend. About 275 people have died in the state of Kano and another 1,000 are undergoing treatment. In the neighbouring state of Katsina, on the northern border with Niger, at least 190 are confirmed dead and 800 people are infected. The government has sent huge quantities of vaccinations to the north, state-run television said. Health officials blame infected drinking water for the spread of the bacteria that causes fever, brain swelling and death, unless treated quickly with antibiotics. Hajiya Nafsat Kabir, Kano's health commissioner, said she feared hundreds more would die if the government and aid organisations did not help. - AP, Lagos

India ready for Kashmir talks

THE INDIAN government said yesterday it was prepared to hold talks with former Kashmiri guerrillas to try to end a six-year uprising against Indian rule in Kashmir. "We are prepared to discuss this," K. Padmanabhaiah, the interior minister, said. He was responding to a surprise offer last Thursday by four former militants who had been released from jail to hold talks with New Delhi without the participation of Pakistan. The All Parties Hurriyat (Freedom) Conference, representing more than 30 leading separatist groups in the Kashmir valley, quickly denounced the offer as Indian agents. The Hurriyat suffered another setback at the weekend when Master Ahsan Dar, a founder of the pro-Pakistan Hizb-ul-Mujahedin group now in an Indian jail, supported the offer to hold negotiations with the government. - Reuters, New Delhi

Peres announces early poll

ISRAEL faces more than three months of bitter politicking over the Middle East peace process, after last night's announcement by Shimon Peres, the prime minister, of early general elections. "I have reached a decision to hold early elections as soon as the law allows," he said. He is thought to favour May 28, but a specific date has yet to be announced. The decision had been widely predicted, with Mr Peres and the ruling Labour-led coalition galloping ahead of the opposition in opinion polls. The polls also suggest that Mr Peres has a lead of up to 20 per cent over his main prime ministerial rival, Benjamin Netanyahu of the Likud party. This year, for the first time, Israelis will be voting not only for the party of their choice in national list-based elections, but also directly for the prime minister. The government wants to increase its wafer-thin majority in the Knesset (parliament) before two key peace moves, which are likely to become the main election issues. - Derek Brown, Jerusalem

Saudi visit 'cements ties'

KING HUSSEIN of Jordan, hoping for a rapprochement with his former financial backers, arrived in Saudi Arabia yesterday on his first official visit since relations soured during the 1990-91 Gulf crisis. "Our relations with Saudi Arabia are normal and this visit will consolidate bilateral ties for the benefit of the two brotherly countries," King Hussein said in the Jordanian capital Amman before his departure. He was greeted in the Red Sea port of Jeddah by Prince Saud al-Faisal, Saudi Arabia's foreign minister, and Prince Majeed, the governor of the province of Mecca. King Hussein is to visit Islamic shrines in Mecca and perform a pilgrimage known as umra, before returning to Jeddah for talks with senior officials. But expectations that he would meet King Fahd were apparently dashed. - AP, Jeddah



TAAMA Iwamoto, mother of the driver of a bus trapped in a collapsed tunnel on the northern Japanese island of Hokkaido, brushes away a tear yesterday as hopes of finding more survivors faded. Residents of the tiny fishing town of Furubira waited for rescuers to make a second attempt to dislodge a huge rock slab that crushed a highway tunnel and a bus inside on Saturday morning trapping 20 people. An earlier effort to topple the boulder into the sea with 550lb of dynamite failed. Anguished relatives kept a vigil as snow swirled around the tunnel entrance and the temperature dropped to -3C. - AP, Furubira

Beverly Hills cops sued

WHEN Eddie Murphy made the Beverly Hills Cop films it was the only time the city's police had welcomed a black man, say seven blacks who are suing the wealthy enclave in Los Angeles. They allege Beverly Hills police have a secret "keep out" policy under which visiting blacks are followed, harassed and wrongly apprehended. A former mayor, Robert Tannenbaum, is representing the plaintiffs - to the embarrassment of the 33,000 residents of the 5 square mile metropolitan area with the world's most Rolls Royces per capita. One litigant is Pat Earthly, aged 29, a church sexton who has no police record. He says his car has been stopped and searched eight times, that he was forced to lie handcuffed on the floor, and that once a gun was put to his head. Five of the other six plaintiffs are teenagers and one is a businessman. One, aged 17, says he has been stopped 20 times in 18 months without charge. The businessman, Richard Hill, aged 53, says he was pulled over while driving to meet his wife for lunch. Police took him to an underground car park, frisked him, and "violently jerked" him by the groin. "It makes me nervous just to be in that area," he says. The police force, which has six blacks out of 132 officers, has produced statistics showing 88 per cent of traffic tickets going to whites, and only 12 per cent to blacks. Blacks say the figures are misleading precisely because they are stopped without receiving tickets. - Christopher Reed, Los Angeles

Moscow aims to be first to cash in with £6.5bn projects as talks resume over lifting of UN sanctions

'Giant' Iraq-Russia oil deal

David Hearst in Moscow

RUSSIA has signed agreements for a number of "giant" projects to extract crude oil and help Iraq, which remains subject to United Nations economic sanctions, to rebuild its shattered power industry, Baghdad newspapers reported yesterday. The reports said the deal had been signed on Friday in Moscow after a series of meetings between the Iraqi first deputy industry and mines minister, Qatman al-Ahmed, and Russia's fuel and energy minister, Yuri Shafraenk. However, the agreement was signed only at the level of officials, rather than ministers. While not denying that a "protocol" had been signed, Russian officials refused yesterday to elaborate on the deal's size. Some sources said it could be worth \$10 billion (£6.5 billion) to Russia. The reported arrangement will put further pressure on UN negotiators who resume talks today in New York with Iraqi officials on the issue of lifting sanctions. The implementation of Security Council Resolution 986 would allow Baghdad to sell oil worth \$2 billion (£1.3 billion) over six months to pay for ur-

gently needed food and medical supplies. Russia and the US disagree on when UN sanctions should be lifted. Washington insists Iraq fulfil other UN resolutions, stop its repression of the Shi'ite minority and release some 680 Kuwaitis who disappeared during the Gulf crisis. After two days of talks in Helsinki at the weekend with his Russian counterpart, the US secretary of state, Warren Christopher, said Yevgeny Primakov had given him an assurance that the oil deal would only go ahead after the UN had lifted sanctions on Iraq. Mr Christopher said: "My understanding is that that contract... is explicitly contingent on Iraq satisfying the UN resolutions and being out from under the oil sanctions." But Mr Primakov, a Middle East specialist, is known to have kept close contacts with the Iraqi president, Saddam Hussein, after trying unsuccessfully to mediate between the West and Baghdad as a special envoy in the run-up to the Gulf war in 1991. When Mr Primakov recently replaced the pro-Western Andrei Kozyrev as Russian foreign minister, former US secretary of state James Baker described Mr Primakov's role in that period as "unhelpful". The Iraqi oil deal is the first sign of Russia's emerging policy to boost its political and trade links with its former client Arab states. Russia has confirmed a separate deal with Baghdad to train Iraqi oil experts at the Russian Gubkin Oil and Gas Academy and to send Russian petrochemical specialists to Iraq. Iraq is determined to give Russian oil firms preferential treatment once the UN lifts its sanctions. After the Helsinki talks, Mr Primakov insisted there was "no basis" to consider that the Russian-US relationship was in crisis. He said the meeting was "very fruitful. As Americans like to say, it was a very businesslike meeting."

He went on: "We have differences and there will be differences, but all this must be resolved without confrontation. That would be extremely dangerous for our mutual relations and also for the whole world." Mr Christopher said their relationship had got off to a good start, professing himself pleasantly surprised by "the attitudes of openness he brought, and the willingness to recognise differences and manage them." But despite the diplomatic words, Mr Christopher knows he faces a much tougher interlocutor in Mr Primakov, than he had previously in Mr Kozyrev.



Zhirinovsky plays to the cameras and uses silver wedding ceremony to bless his presidential campaign

Alastair Macdonald in Moscow THE ultra-nationalist leader, Vladimir Zhirinovsky, played a latter-day farce for the television cameras yesterday, launching his presidential campaign by holding a silver wedding ceremony with his wife (above) at a Moscow church and throwing money to the poor. But the "sea of vodka" his aides had promised for thousands of Moscow's homeless seemed barely enough to fill a bathtub and

the curious onlookers at the Church of St Michael the Archangel numbered only a few hundred. Television crews almost outnumbered well-wishers inside the church as Mr Zhirinovsky and his wife Galina, dressed in white, went through the ritual of a Russian Orthodox marriage. Jean-Marie Le Pen, leader of the French National Front, was guest of honour - the ceremony was snubbed by Russian celebrities and the Moscow diplomatic corps. Mr Le Pen, who launched

an appeal with Mr Zhirinovsky on Saturday for a union of European right-wingers, was among the first to kiss the couple after they were blessed by a priest. "Today's ceremony is certainly a family celebration. But it is also a religious and spiritual gesture and a political one, since Vladimir is a candidate for the presidency of Russia," Mr Le Pen told the crowd outside, before doing a jig with a woman singer in traditional peasant costume. Mr Zhirinovsky and his wife arrived at the church in a troika drawn by white horses, and dispensed money to the crowd. The ceremony seemed designed to steal the limelight from President Boris Yeltsin and Gennady Zyuganov, leader of the Communist Party, who are both set to declare their presidential candidacies this week. The only representatives of Moscow's homeless appeared to be three men at the church door who told journalists that Mr Zhirinovsky had done a lot for the poor. He and his aides threw handfuls of 500-rouble notes and coins, sending children scrambling in the snow. "What's 500 roubles? Small change. Who wants that?" scoffed Yekaterina Izveshena, a pensioner who lives in one of the high-rise blocks near the church. She said she had voted for Mr Zhirinovsky's Liberal Democratic Party in December's parliamentary election, when it came second with 11 per cent of votes. "But Zhirinovsky's much too unpredictable to be president. I'll vote for Zyuganov on June 16," she added. - Reuters

France woos discerning British

The strong franc discourages visitors, but a new promotion plan has been launched, Alex Duval Smith reports from Paris

BRITISH "strivers" and "potterers" are to be the target of the biggest-ever campaign to promote France after they turned their backs in droves on cross-channel holidays last year. In poster and television advertising campaigns, French tourism officials are spending \$2 million to promote their country to the British who, with 9 million visits a year, are the most francophile country in the world. The decision to spend 60 per cent more than last year on wooing Britons is aimed at improving France's image, tarnished by nuclear tests, a terrorist bombing campaign and strikes which paralysed the country at the end of last year. Tourism officials estimate that 15 per cent fewer Britons travelled to France in 1995. Officially, they say France suffered because the strength of the franc lured Britons to cheaper destinations like the US, Spain and Italy. But, 10 days ago, barely half an hour before President Jacques Chirac announced the end of France's underground nuclear test series in the South Pacific, British television viewers received the first blast of a \$1.2 million series of commercials. According to a spokesman for Maison de la France, the tourism promotion body, France has rested on its laurels for too long. "Short trips increased in 1995, which is

probably thanks to the Eurostar, but the number of holidays which lasted for more than five days declined. France has long been lazy about promoting itself," he said. Yet tourism is one of the country's main commodities; France is the world's number one tourist destination, with 60 million visits a year. Britain provides the largest number of tourists, followed by Germany and the Benelux countries. To focus the tourism campaign, Maison de la France has drawn up a marketing plan. It reveals that most Britons travelling to France are aged between 24 and 44, closely followed by the "increasingly wealthy" 45-64 age group. They are well-heeled, coming from the AB and CI socioeconomic groups - market research jargon for such categories as surgeons, bank managers, solicitors, police constables and teachers. They spend an average of \$366 a holiday in France - less than those Britons who travel to Spain and Greece. The plan says the British believe France is "sophisticated" and their top three reasons for visiting it are the food, the wine, and the chateaux. Britons who had not visited France perceived it as expensive and uninteresting and said they believed contact with the local population would be difficult. A disproportionate number of Britons who did visit France were categorised as "strivers" - ABs, aged between 35 and 55, who "like the good life and the perceived authenticity" of France. The second-largest group were the less well-off and older "potter-

Defiant Karadzic starts comeback

Julian Borger in Banja Luka

RADOVAN KARADZIC, the Bosnian Serb leader, indicted for war crimes by the United Nations tribunal, demonstrated at the weekend that he was still a force to be reckoned with, by making a high-profile tour of his territory intended to suppress Serb dissent. After two months of virtual silence since the December signing of the Dayton peace accord, which Mr Karadzic bitterly opposed, the former psychiatrist appears to be engineering a political comeback built on Serb anger at the Bosnian government's arrest of senior Serb officers. Mr Karadzic looked confident as he swept into Banja Luka, the biggest city under Bosnian Serb control. Under the Dayton agreement, indicted war criminals are banned from standing for political office and must be handed over to the UN tribunal in The Hague. But Mr Karadzic made it clear that he had no intention of facing the international court, describing it as an attempt "to lynch the whole nation". His tour of Banja Luka and appearance on a television show called "Ask the President" appeared to mark the launch of an election campaign. He told Serb viewers that foreign attempts to manipulate the elections "would break their teeth on the Serbian people", and compared himself to the Palestinian leader, Yasser Arafat. He described the Dayton agreement as a first step towards full independence, although the accord rules out Serb secession. He derided Serb politicians who favour closer links with the Muslim-Croat Federation. Prominent Serbs in Banja Luka, including the mayor, Predrag Radic, had openly defied Mr Karadzic's leadership since the Dayton accord. But at a weekend congress of the ruling Serb Democratic Party (SDS), Mr Karadzic threatened Mr Radic with expulsion and banned him from meeting foreign envoys. He also installed loyalists in key party positions in Banja Luka and nearby Prijedor. Banja Luka politicians attributed his comeback to fury among Serbs about the arrest of eight Serb soldiers by government forces near Sarajevo in the last two weeks. The crisis over the arrests appeared to ease slightly at the weekend. The government released four Serb soldiers, and the Bosnian Serbs announced the renewal of military contacts with I-F. But the Serbs refused to meet the Bosnian government, in contravention of Dayton. Richard Holbrooke, the US envoy who brokered the Dayton accord, flew to Sarajevo yesterday to warn all sides to stick to the deal. He was due to fly on to Belgrade to press the Serbian president, Slobodan Milosevic, to bring the Bosnian Serbs back into line.

'The Briton has a pronounced taste for authenticity because it flatters his individualism'

A spokesman for Maison de la France said 60 per cent of British holidaymakers travelled to France by ferry, with an over-increasing number flying and using the Eurostar or Le Shuttle. Budget constraints meant more and more were renting houses. In combination with France's image problem, this had helped to create an 11 per cent drop in hotel bookings over 10 years. The marketing plan's strategy says: "It is worth noting the importance of la middle class - 38 per cent of the population - and its aversion to

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The Guardian Monday February 12 1996

Race for second place opens up as Forbes falters

Battered Dole set for victory in Iowa

Jonathan Freedland in Des Moines, Iowa

BOB DOLE looked set to boost his battered presidential campaign with a victory in tonight's presidential contest in Iowa, but the race for the coveted second place was as wide open as the flat, farm state itself.

As the Iowa battle intensified, with allegations of smears, counter-smears and dirty tricks, all sides were predicting a Dole victory yesterday. The Senate majority leader's previous chief challenger, the millionaire publisher Steve Forbes, hit a barrage of criticism and a marked slowdown in support, while the former television commentator Pat Buchanan and ex-governor of Tennessee Lamar Alexander each claimed a late surge was set to make them the runner-up.

Latest polls put Mr Dole in front with 28 per cent of Republican voters, compared to 16 per cent for Mr Forbes and 11 per cent for Mr Buchanan. But tracking polls show Mr Forbes falling, while Mr Buchanan's support is rising. One survey put him in second place, one point ahead of Mr Forbes.

For Mr Dole, a victory will represent a much-needed boost after a wounding three

weeks in which party officials began to doubt his viability. Stung by criticism for a dire performance in the Republican response to President Clinton's State of the Union address last month, Mr Dole has been further hit by a blitzkrieg of negative advertising from Mr Forbes.

Mr Dole's ratings plummeted as Mr Forbes outspent all his rivals on television commercials branding Mr Dole a typical "Washington insider".

But now Iowans appear to be rebelling against Mr Forbes's negative campaigning and returning to a politician whose links to Iowa go back 26 years. One poll showed 46 per cent of Iowa voters with an unfavourable view of Mr Forbes, up from just 20 per cent in December.

Mr Forbes appeared to add to his woes yesterday, when he accused the Dole campaign of making anonymous phone calls to potential supporters in an attempt to smear his name.

He said a Utah telephone sales firm had been calling Iowans posing as independent pollsters, asking pseudo-questions about Mr Forbes's "support" for abortion and gay rights. The technique, known as a "push poll" is aimed at spreading rumours about an opponent.

Even though a former em-

ployee of the firm confirmed that he had made the anti-Forbes calls, the accusation seems to have backfired. "That's like Colonel Sanders complaining about cruelty to animals," said Mr Alexander. "Steve Forbes is just reaping what he sowed."

Mr Dole's aides believed their candidate's support was strengthening in part because previously undecided voters — estimated at one in five of Iowa Republicans — are moving to him, a tried and tested figure they know well.

Hailing from neighbouring Kansas, Mr Dole has been dubbed President of Iowa for his connections to the state. He won here handsomely in his 1988 presidential bid.

The focus instead is on the runner-up slot. Mr Buchanan is gaining ground among Christian conservatives, who could form as much as half of tonight's electorate. Yesterday's poll found him with 24 per cent of evangelical support — more than any other candidate. That could translate into even bigger numbers tonight, since Iowa voters through a system of "caucuses" in 2,143 precincts.

Since only committed activists are likely to attend a meeting on a chilly Monday night, conviction voters like those of the Christian Coalition have a disproportionately large influence.

Republicans vie for deals with state's 'little guys'

Jonathan Freedland in Indianapolis, Iowa

Behind the lines

ELECTION USA

THEY dress like twins, even though they're father and son. They wear flared jeans looser than the type city-folk wear — for working, not looking good. They have baseball caps on their heads, and cowboy boots on their feet, muddy from the soft, Iowa earth.

They are the Woodruffs, fourth and fifth generation farmers, growing corn and soy beans in Indianapolis, Iowa, just as they've always done. Roger, aged 42, drives a pick-up truck; in the back is a coyote that's been dead for three days. He hunts them "for sport," I guess, but he can usually get \$4 (\$2.60 for the fur). His father, Duane, is 71 and has never left the United States. He went to New York once, in 1963, and to Washington twice, when Eisenhower was president.

Their lives seem little changed from those of the mid-Western farmers of old. The barns have roofs shaped in the classic prairie style, like droopy arches; their wives cook big farmhouse breakfasts; they fear the snow and hail that come each winter.

But now they, like farmers across America, have a newer enemy, one which they fear more than anything else: the way of life, but the environment and consumers throughout the world. The enemy is big business.

"You work all your life to build something up, and then they take it away," Duane said. Corporations are driving "little guys" like him out of business.

His pride and joy is a red shiny combine-harvester. New, it would cost \$140,000. "That's why the young guys can't start up in agriculture," he said. "If we can't do something to keep the young fellas on the land, the big corporations will take over and cheap food will be gone forever."

It's already happening in Iowa, the third biggest farm state in the US. Giant agri-businesses are eating up the patches of flat, bleak Iowa land that once were family homes. Now the state is dotted with silos

Farmers have lost their cherished place in America's imagination

and feeders — with not a farmhouse in sight.

The problem is that the mega-producers can weather the caprices of nature in a way that independent farmers cannot. If the corn prices fall, only the corporate producers can hold on until it goes up again.

The pressure of competition has taken its toll. "Farmers are proud people," said Roger. "Somebody's Mother Nature gets you in a jam. You invest so much, and can end up with nothing. There's a lot of stress."

That's why old man Woodruff agreed to host a rally for presidential candidate Bob Dole in his barn on Saturday. "He was born and raised on a farm. He understands what it takes to make one operate."

All the candidates competing in tonight's contest for Iowa's Republican votes have said. Corporations are driving "little guys" like him out of business.

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Earning his bread... Lee Sung-wen shows off his small dough figures of the country's four presidential candidates in the Taiwan capital Taipei yesterday. The figure of President Lee Teng-hui, left, costs about £2.50. PHOTOGRAPH: EDOE SHIN

Jackson video divides image-conscious Rio

Diane Jean Schemo and Gary Richman report from the singer's They Don't Care About Us shoot in the Santa Marta slum

POP superstar Michael Jackson and film director Spike Lee began filming a music video in a Rio slum yesterday after a judge blocked attempts by local politicians to stop them. Critics had feared the video could damage the city's image.

"Thanks to Michael Jackson, our slum is now on the map," said Jose Luis de Oliveira, aged 30, president of the Santa Marta Residents Association. "His visit here makes a world of difference."

Rio's Santa Marta is a no-pictures postcard. Raw sewage runs down the hills, sending nauseating odours through the neighbourhood. Drug dealers stand at checkpoints along winding alleys.

This is the favela, or hillside slum, that Jackson will use as a backdrop for his video, *They Don't Care About Us*. He has already shot some footage in the north-eastern city of Salvador.

The knowledge that the poverty here will be used as an image of urban misery has sparked an emotional debate dividing the city.

The furore began two weeks ago, when word filtered out that Jackson would descend by helicopter on one of Rio's slums to film his video. It was at roughly the same

time that the singer Madonna was sparking protest in Argentina over plans to have her portrait on a postage stamp.

Ronald Cezar Coelho, the state secretary for industry, commerce and tourism, complained that such a video would damage the city's image, and reportedly said he would demand editing rights.

"I don't see why we should have to facilitate films that will contribute nothing to all our efforts to rehabilitate Rio's image," Mr Coelho told newspapers here.

Governor Marcello Alencar said the favela should charge Jackson for the right to film and offered the residents legal help.

Pelé, the former football superstar who is now minister of sport, complained that the filming would hinder Rio's campaign to bring the Olympics here in 2004.

A few days later, a lawyer went to court to try to prevent the filming, and a judge issued an injunction.

Spike Lee, who is directing the video, called Brazil a "banana republic" for what he described as a flurry of half-baked efforts to prevent the filming, aggravating the sense of injured pride among some public officials.

Then, earlier this week, a

higher court ruled Jackson could come after all and film as he wishes. On Friday the gloved one arrived in Rio, sporting a black mask over his nose and a mouth to protect him against an outbreak of conjunctivitis sweeping the city.

Though many of the people who opposed the filming said they were only trying to protect the image of this favela, residents are sceptical.

Lee shot scenes of the maze-like jumble of shacks and twisting alleys, the streams of sewage and toddlers bathing in the dirty water. The favela's steep slopes also offer breathtaking views of Corcovado's Christ statue, the Sugar Loaf and the Lagoon.

The residents of Santa Marta seem to be fairly cracking with the excitement of the project.

Mr de Oliveira said he was all for the video. Children were making up a song and drawing posters to welcome Jackson, he said.

"I think his coming will make things better," said Sandra Gomez de Barros. "They're ashamed of the conditions here, and they'll have to do something."

"Everybody's suddenly paying attention to Santa Marta, talking about the social, sanitary and other conditions here," Milton de Souza Filho, who runs two samba schools, said. "It's a poor world surrounded by a rich world, an island of misery surrounded by wealth." — New York Times/AP.

Pope finds spirits low in Venezuela

Phil Gunson in Caracas

IT WAS dusk, and large bats were flitting among trees along the Avenida Francisco de Miranda, before the faithful were rewarded, 45 minutes behind schedule, with a glimpse of God's representative on earth.

Seated in his locally built Toyota popemobile, the 75-year-old pontiff looked weary as the motorcade swept briskly past on its way to the presidential residence. It was his fourth country in as many days.

A couple of rows back from the joyful flag-wavers, teacher Isabel Gutierrez was unimpressed. "It's a waste of time and money," she said.

"The Pope will be gone in three days, but there'll still be crime and hunger in Venezuela and wages will still be too low. There'll be no change in the US unless we have a general strike."

The billboards beside the Caracas freeways say simply: "God have pity on us." It is, perhaps, the only sentiment that unites the pro- and anti-papal visit factions in a country where the prosperous, oil-boom days are long gone and violent street protests occur almost daily.

"They're only showing him the pretty side of things," said

Ludí Vázquez, a social worker in her thirties who works in a poor neighbourhood. "Why don't they take him to see the real Caracas, where the worst-off people live?"

The cost of the three-day visit has been put by some sources as high as \$48 million (\$31 million). The Church and the government say only \$1 million has been spent. To many Venezuelans, any expenditure looks excessive.

Even among the most enthusiastic spectators some believe a message of "peace and love" is not enough.

Raisa Colina, who works for an estate agent, thinks President Rafael Caldera should emulate Perry's Presidential visit and close down Congress. "We need strong government — an end to corruption. Everything is collapsing around us."

Since 1989, when hundreds died in food riots, through two coup attempts in 1992 and the impeachment of a president on corruption charges, Venezuelans have been hit by one disaster after another.

The Pope made clear his concern at the country's "crisis of values" and "lack of faith in institutions". He called on politicians to show "particular concern for the needy" and give "clear proof of honesty in personal and professional life."

But as the papal jet took off yesterday, it was the demands of the IMF, as much as those of the Vatican, that must have been on the president's mind.

Clashes escalate as opposition boycott makes farce of Bangladeshi elections

Suzanne Goldenberg in Dhaka

DESPITE the protestations of the government, there are few signs that Bangladesh is entering the last days of an election campaign.

In a country where elections are usually a festive occasion, and a high turnout is certain, the lack of interest in Thursday's contest is surreal. Ask the men who peddle the rickshaws who their local BNP candidate is, and they just shrug their shoulders. Ask them whether they will vote, and they laugh.

This campaign belongs to the ruling Bangladesh Nationalist Party. All the main opposition parties are boycotting the vote because the prime minister, Begum Khaleda Zia, has refused to make way for a neutral administration that would guard against electoral fraud.

BNP candidates have already been elected unopposed in 48 constituencies. They do not appear to face much challenge in the others.

The Seven-Party Alliance, which is contesting 98 of 300 seats, did not even exist dur-

ing the last vote in 1991 — the only fair elections in independent Bangladesh. Other contenders, like the Freedom Party and an Islamist party, scored just 0.27 per cent of the vote last time.

"These parties have been placed there only with the intention of showing that there is competition," said Khandakar Abdul Malik, who is defending his seat for the BNP in Sylhet.

Although Mr Malik had a slim majority, he is relaxed this time around. But he is candidate is, and they just shrug their shoulders. Ask them whether they will vote, and they laugh.

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the polls and even — though they still see it as a remote possibility — a return to military rule.

But the BNP argues that it would be unconstitutional to delay the polls and yesterday warned the opposition not to prevent people from voting.

"The violence and terror tactics are being applied only by three opposition parties," Badruddoza Chowdhury, the former deputy parliamentary leader, told a press conference. "They have done it for 22 months; so we feel that they should stop their agitation 48 hours before the polls and allow people to make up their own minds whether they want to vote."

He said that once the new government is elected it will try to seek a compromise with the BNP's main opponent, the Awami League, so that new elections can be held with full participation.

But Western diplomats who have been trying to head off the political disaster that is unfolding are less optimistic. They say the Awami League's Sheikh Hasina is in a defiant mood as the prime minister, making the prospects of a compromise remote.

Keating wins, but fails to deal fatal blow

Christopher Zinn in Sydney

The Australian prime minister, Paul Keating, narrowly defeated his conservative rival John Howard in the first debate of the federal election campaign last night.

But political analysts said he failed to deliver the decisive victory he so desperately needed to revive his lagging campaign before the poll on March 2.

In the eagerly awaited televised contest, Mr Keating, fighting to save Labour after 13 years in power, appealed to voters not to turn their backs on the government's economic reforms and his diplomatic opening to Asia.

"If people believe they can give three years to the opposition — to a party trying to copy-cat the government — to adopt the government's policies, I assure them that the fire will go out," he said.

A poll of the studio audience gave Mr Keating 51 per cent and Mr Howard 49 per cent. But it may not be enough.

"There was no killer punch," said Paul Lynham, a

political commentator. "I don't think Howard has come away significantly down in his standing in the community. I don't think Keating has done himself an enormous amount of good."

Mr Howard, however, hit a nerve with the electorate when he said: "This present government has now been in power 13 years and it's developed all the signs of arrogance, of being out of touch, of taking people for granted."

Last night was a defining moment for Mr Howard, who has lost one election to Labour and was dumped by

his party in 1989. Since then he has re-invented himself, developing from what he calls the "radical conservative" of 1986 to a "tolerant conservative".

Some observers doubt Mr Howard's ability to lead the country. Alan Ramsey, the Sydney Morning Herald's chief political commentator, said: "He would make a solid but very unspectacular prime minister, and a very conservative one."

But the national mood for a change is strong after 13 years of Labour government, and the polls put Mr How-

ard's opposition coalition of the Liberal National parties about eight to 10 points ahead.

After 22 years in parliament, Mr Howard knows that if he can avoid scaring the voters with plans to overhaul radically the industrial relations and Medicare health system, his place in The Lodge, the prime minister's official Canberra residence, is almost assured.

The Labour ascendancy of the 1980s was largely made possible by the vicious leadership battles which divided the coalition. Mr Howard took

over as party leader in 1965, lost an election in 1987 and survived a challenge, but was deposed in 1989.

But continuing instability in the party gave him his chance and in early 1995 he was unanimously voted back to the leadership.

Mr Howard released his pitch for the important so-called ethnic vote when he unveiled the coalition's immigration policies on Friday. The issue has been a damaging one for him since 1988 when he said: "I wouldn't like to see the rate of Asian immigration go any higher."

Chess champ in deep blues

Mark Tran in New York

MACHINE triumphed over man as Deep Blue, an IBM computer which has "no fear", shredded Gary Kasparov, the world chess champion, in Philadelphia at the weekend. It is the first time a computer has prevailed in a traditional tournament.

Deep Blue's historic upset came in 37 moves after Mr Kasparov's counter-attack was easily parried. Although machines have beaten grandmasters, including Mr Kasparov, in games lasting five, 30 or 60 minutes, the world champion began the six-game series a firm favourite.

No computer had ever beaten a human under usual tournament rules, in which each player has two hours to make 40 moves. The second game began yesterday.

Deep Blue, the strongest chess computer ever built, had not competed at full strength before. But as the noose tightened around Mr Kasparov, its programmers were jubilant about the machine's strength.

"We've got one of the greatest concentrations of computing power ever focused on a single problem working here," said Joseph Hoane, who has worked on Deep Blue software for more than six years. He said at some points during the game, Deep Blue was analysing more than 100 million chess positions a second.

At the end, Mr Kasparov reached across the board to shake hands with Feng-Hsiung Hsu, the IBM scientist who moved the pieces for Deep Blue. He left the Pennsylvania Convention Center without speaking to reporters, and chess colleagues described him as devastated.

"He stands in relation to TV the way Tolstoy stands to the novel," says John Romano. "It's hard to think of anyone in the last 15 years who has had more impact on television," says Grant Tinker.

Ian Katz on TV mogul Steven Bochco

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One bomb must not stop the talks

The rationale for the peace process is just as valid today

BISMARCK once wisely observed that events are stronger than the plans of men. He might have had Northern Ireland in mind, for his words precisely describe the extremely difficult situation in which all parties now find themselves.

Friday's bomb has thrown the plans of men into disarray. The question is no longer how to get to all-party talks but how to deal with the IRA's bombing of South Quay.

It is totally understandable that this should be a time of confusion. The bombing took most of the protagonists by surprise, however much they may have acknowledged the possibility of an action of this kind.

THE fact that the IRA has now renounced exclusively peaceful means is therefore deeply shocking to those who believed that the republican movement had made a historic compromise when the ceasefire was announced in 1994.

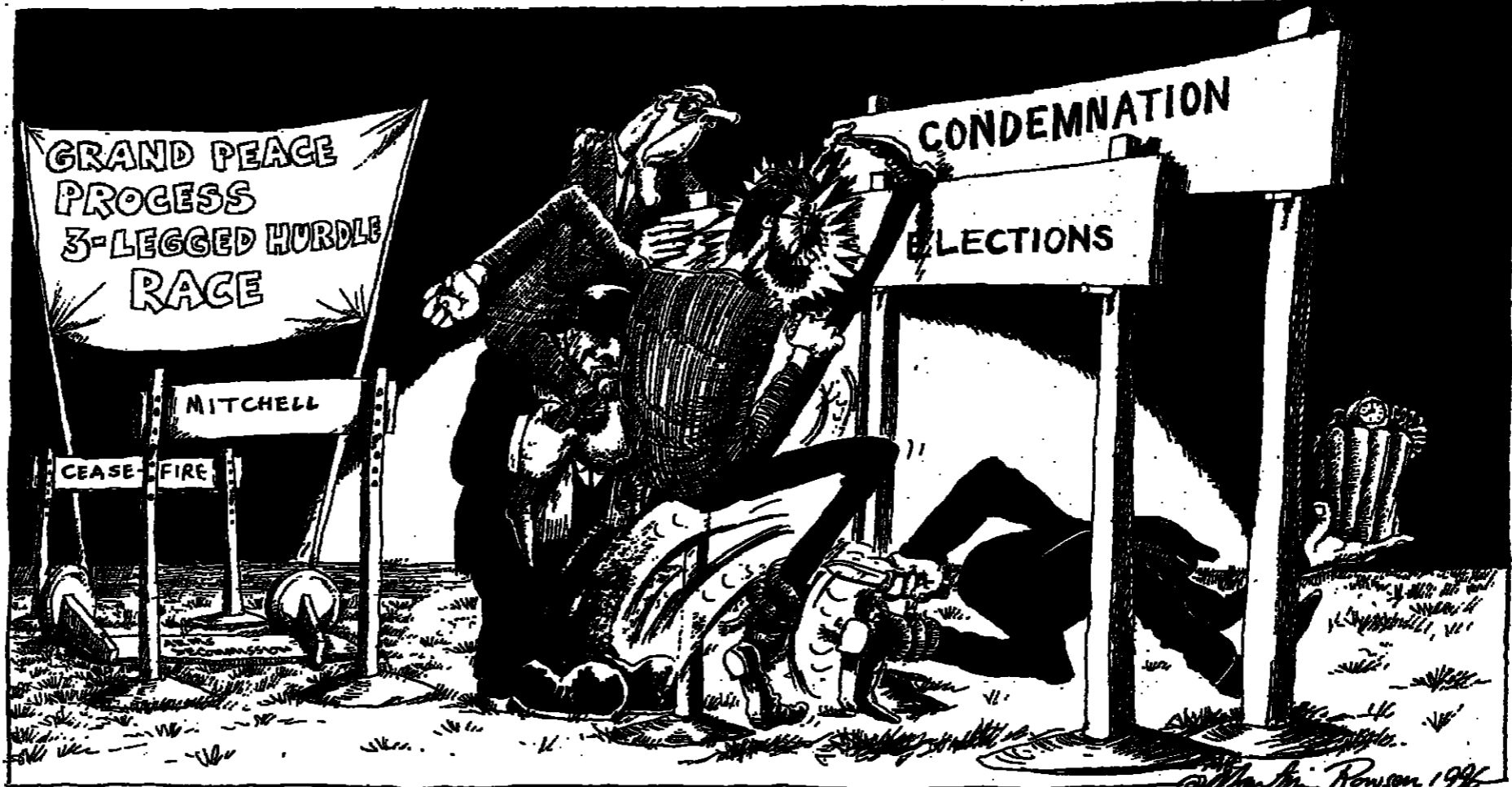
The real question is whether the various protagonists have a mutual political interest in talking to one another. It is vital always to bear in mind that the peace process began because all sides — not just the IRA — wanted to bring an end to the terrorist war in the north.

They were right to talk to one another, secretly at first and then gradually more openly. They had both made the good political judgment that the war was a stalemate and that they might each be able to find a basis for a new settlement in the north, not least because nationalist Ireland, in the shapes of Albert Reynolds and John Hume, seemed so ready to bring the two sides together.

The bombing of South Quay did not take place when everything was going well but when everything was going extremely badly. The peace process had lost almost all momentum and had become bogged down in a series of arguments about the terms upon which Sinn Fein could be permitted to join all-party talks.

THE case for restarting the peace process is stronger than ever, for it has to be faced that Friday's IRA bombing has reminded many people of what is at stake. It forces people to recall how hopeless and negative the old bombing campaigns had become.

The case for talks is overwhelming. A peace still needs to be built and Britain and Ireland have a common interest in pressing ahead to revive the peace process on the basis of the Mitchell Report and according to a brisk timetable.



Following the IRA bomb, Gerry Adams accuses the British government of criminally neglecting the peace process. Below and right, key players and commentators assess where politicians can go now

Bad faith and dishonesty

"If the focus remains on the past, the past will become the future and that is something that no one can desire."

IN THAT one small sentence, Senator George Mitchell and his colleagues in their international report last month captured the heart and aspiration of the people of Ireland for a lasting peace.

For nearly a year-and-a-half, the guns of war in Ireland were silenced. For several years in advance of that, myself, the SDLP leader John Hume, the former Irish Taoiseach Albert Reynolds and Irish-American painstakingly put together a package which persuaded the IRA to call a complete cessation of military operations on the basis that it would lead to an inclusive process of negotiations.

On Friday night last, the IRA ended its 18-month-long cessation. The announcement was greeted universally with disappointment and regret.

the families of those killed and injured in the London explosion. I understand the pain they are going through. I speak from the personal experience of losing many relatives, friends and colleagues in 25 years of conflict. It may be difficult for some people to absorb this after what happened on Friday night but the reality is that the IRA was undefeated when 18 months ago it took a very courageous decision to create what was universally recognised to be the greatest opportunity since partition to resolve the conflict and secure a lasting peace settlement.

The reality is that the IRA was undefeated 18 months ago

the key to advancing the peace process to a peace settlement. This was the commitment given by the two governments, publicly and repeatedly in the run-up to the IRA cessation. This was the context in which the IRA in August 1994 made their historic announcement.

process. Last November, the two governments established the twin-track approach. The Irish Taoiseach, John Bruton, described it as the means to remove preconditions to all-party talks.

When the IRA announced its complete cessation of military operations, it presented everyone, but particularly the two governments, with a unique and unprecedented opportunity. The hope and expectation was most effectively summed up by Seamus Heaney, when he described the new situation as a "space in which hope can grow".

Our goal was to deepen that hope, to nourish it and to build a new beginning for all of the Irish people, and to open a new chapter in the relationship between the Irish and British people.

One thing is clear: it is not possible to have peace in Ireland unless the British government is committed to that objective.

Clearly, the question now must be what happens next? In any conflict, there are two ways of bringing it to an end. Either one side defeats the other, or we somehow find a way to rebuild the peace process and work for and secure a negotiated peace settlement.

The danger of moving back. That has now happened. But despite the tragic breakdown of the IRA cessation, Sinn Fein's peace strategy remains as the main function of our party.

What is clearly needed is a negotiated peace settlement. We needed that before Friday night's events; we need it more than ever now. How do we achieve that goal? In his submission to the Forum for Peace and Reconciliation in Dublin just before Christmas, FW De Klerk recommended that a peace process should be played like a one-day, end-of-a-three-day, game of cricket. In

other words, it is crucial that people sit down around the table and treat each other as human beings. Peace in Ireland can only be achieved through honest dialogue and democratic negotiations based on equality.

The Government seems to be locked into a psychology of war

Gerry Adams is President of Sinn Fein

The tough choices that face Sinn Fein

Seamus Mallon

IT IS important to remember that the nature of the problems we have to solve is the same today as it was before the end of the ceasefire. What has changed as a result of the bomb is the context in which a solution to those problems can be found.

However, we must also remember that there are only two choices facing us in Northern Ireland. We can make peace, or we can make war. That is the challenge, and it is well to recognise that making peace means talking, negotiating, and reaching agreement with our political enemies.

The IRA should know that what they have done is not just barbaric, but counter-productive, in that they have destroyed the possibility of all-party negotiations by the cut-off date of February 29.

Yet Sinn Fein maintained its positive approach to the peace process. Last November, the two governments established the twin-track approach. The Irish Taoiseach, John Bruton, described it as the means to remove preconditions to all-party talks.

But despite the tragic breakdown of the IRA cessation, Sinn Fein's peace strategy remains as the main function of our party. Our efforts to build an effective peace process must be redoubled.

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Keeping our way on the path to peace

Richard Holme

THIS is a good time for strong nerves. We should remember that the path to peace in the Middle East had, and still has, periodic explosions along the way.

First, John Major and John Bruton should meet within days to re-unite their positions. The underlying tragedy of the past six months is the way the British and Irish governments have drifted apart, creating the conditions of division which help the hard men to argue once again for desperation and violence.

Progress can survive bombs but, without core agreement, it will wither

work Document but undoubtedly deployed as a distraction from the worthwhile idea of parallel decommissioning of the Mitchell Report, could then and could still now be made compatible with the Irish sense of urgency.

other Stormont, a noisy talk-shop for Ian Paisley, is understandably regarded with suspicion by nationalist opinion. But a specific negotiating body could be put on a short timeframe to create some of the urgency which the Irish government was seeking with its idea of a "Dayton-style" pressure-cooker negotiation.

My second suggestion relates to the attitude which the two governments should now take to Sinn Fein and the IRA. Of course Gerry Adams and Martin McGuinness should condemn the bombing, but they probably will not. They will maintain solidarity, on which their internal credibility and indeed their physical

safety may depend, with the militant republican movement, at the expense of a vast loss in their external credibility in the real world.

Perhaps so relieved have we all been at the end to murder that we have got Sinn Fein and the IRA out of perspective. They have become the squeaky wheel which gets all the political grease. But the question has always been, were they the cause or the symptoms of the Troubles? My belief is that they were and are more symptoms than cause, more able to damage than to build. So, while they cannot and should not be ignored, we should put them into perspective as what they are: a potentially dangerous fringe rather than a democratic majority.

All the main pressure should be on John Hume and David Trimble to grapple with the reality of their co-

existence in a democratic and mutually respectful way. That remains the key to the progress to which militant republicanism is more an obstacle to be removed by public opinion in Northern Ireland than an enabling force.

So my final suggestion relates to the American president, who has played a notably constructive role so far. Could Bill Clinton, and Senator Mitchell, not act as a focus for the strong demand in Northern Ireland, among members of both communities, to "give us back our peace"? Then even the IRA Army Council, as boneheaded in its way as the British General Staff in the first world war, might think again about a demonstrably counterproductive strategy.

Lord Holme of Cheltenham is Liberal Democrat parliamentary spokesman on Northern Ireland

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Vital words that went unspoken

Peter Temple-Morris

THE IRA ceasefire of August 1994 represented a historic opportunity to deliver peace to the island of Ireland and the British Isles as a whole. The opportunity has not yet been taken, but it still exists — just. Whether politicians, press and public will have the imagination and perspective to seize it remains to be seen.

The closer relationship between the two governments, from the all-important Anglo-Irish Agreement of 1985 through to the Downing Street Declaration of December 1993, was absolutely crucial in creating the necessary climate. The role of John Hume and the Americans crucial in exploiting it. The IRA ceasefire crucial in presenting the opportunity. It was only a ceasefire. The British reaction was to go on for months questioning whether it was permanent or not. It was never intended or meant to be permanent. It was the IRA, or terrorists, if you like, coming in from the cold, putting down their weapons and saying: "Talk to us about peace." There also could be no question of surrender, which is where decommissioning comes in. In the context of the ceasefire, there was no scope for decommissioning before talks and no way that Sinn Fein could get the IRA to deliver it. We were only dealing with a ceasefire. We then knowingly and quite rightly took up the process. The point is that if you knowingly accept to be part of a process of talks following a ceasefire, then you should talk. For 18 months not a word has

been spoken in the context of the IRA's expectations of and reasons for the ceasefire. The peace and historical distrust of the British by the republicans has steadily mounted until violence has resumed.

The two governments' agendas have not been close enough, particularly since July 1995, to make the process work. The Irish see it as involving constitutional change in the North and in the island-of-Ireland context, with equality of esteem for the nationalists, and with any development towards a united Ireland being evolutionary and subject to the principle of consent. The British tend to view matters much more from the status-quo point of view, with the prolongation

We must be ready to contemplate real change in Northern Ireland

of the peace and its effect on the people of Northern Ireland providing its own strategy. We are not "persuaders"; we have chosen not to pressure the unionists — and therefore, by definition, change as part of the process will be slow. Sadly, recent events have indicated that it could be too slow.

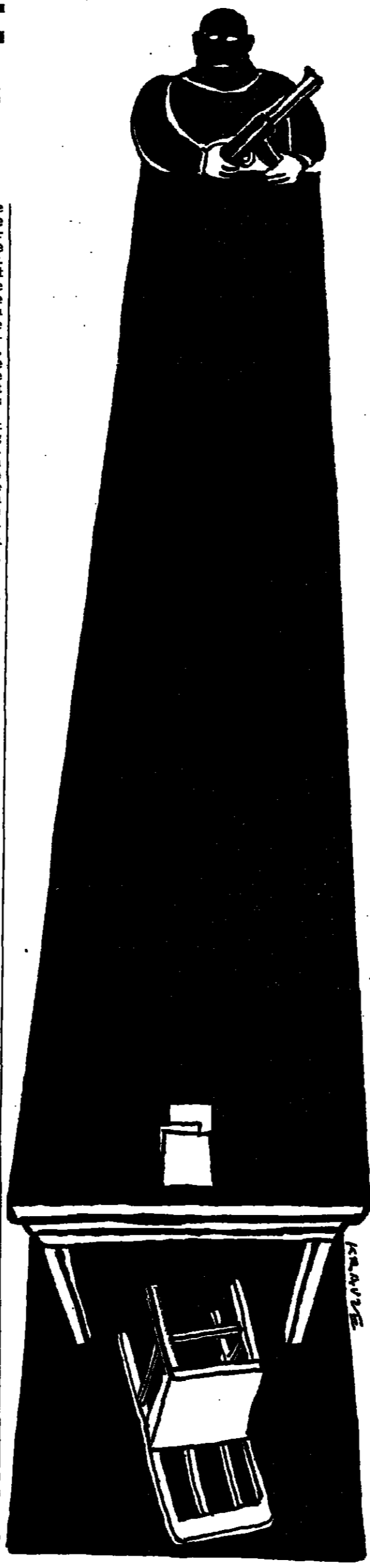
Since July 1995, much concern was expressed behind the scenes, the two governments have drifted apart, mainly over the decommissioning issue. The Irish formed the firm view, later endorsed by Senator George Mitchell, that the IRA would not deliver on preliminary conditional decommissioning. The British held

rock-solid to this condition. The twin-track approach was on the table from early September until finally agreed only on the eve of President Clinton's visit. The Mitchell Report came out of that, and effectively kept the show just on the road. Once we decided not to operate within the Mitchell Report but outside it, and without the prior agreement of the Irish government, the scene was set for a possible resumption of violence. There was no time to get agreement for an elective process towards negotiations.

The future is difficult, if not bleak, because it involves going round the same route again. More give has to come from those moving away from the status quo, which means the British and the unionists on the one hand and the IRA on the other. The IRA delivered an 18-month-long ceasefire and could deliver another one if they thought it would work. We have to react by showing sufficient willingness, having entered a process to be prepared to move away from the status quo and to contemplate real change in Northern Ireland.

If we do not accept the realities of what we are involved in, we will all fail. We must talk to the Irish government, establish an agreed and hopefully common agenda; we must then sell that agenda to the parties and where necessary try to persuade them. We can still get to these talks. There can still be peace in Ireland as part of this process. Goodness knows we should try and make it work.

Peter Temple-Morris is Conservative MP for Leominster and co-chairman of the British-Irish Inter-Parliamentary Body, but writes in a personal capacity



Letters to the Editor Talk, quit or defeat?

MY house was rocked by the Canary Wharf bomb. The people of London are not prepared to carry the burden of unionist intransigence any longer. The British government, under pressure from the unionists, has spent the last 18 months throwing up obstacle after obstacle to serious negotiations over Northern Ireland.

The reason is equally obvious; any negotiations must involve compromise, and that means some weakening of unionist power. The unionists are not prepared to cede an inch, and have successfully blackmailed the Government into playing their game.

We owe the bigots of Northern Ireland nothing and it's time we got rid of this expensive colony, just like we've got rid of dozens of others in the past 30 years.

Clarendon Crescent, Lexington Spa CU32 5NR.

DOES the IRA need to commit acts of atrocities seen in the former Yugoslavia for the Government to take it seriously? I, for one, need no further proof of the necessity to start immediate negotiations.

Rupert Holmes, Clarendon Crescent, Lexington Spa CU32 5NR.

JOHN Major's declaration to continue the peace process is as futile as it is laudable. He would have a better chance of success if he attempted to subdue an earthquake by talking to it. The docklands bomb is proof that the IRA and Sinn Fein have cynically strung him along since August 1994. Whilst the British Government has significantly reduced the military profile in the province, and made concessions in releasing terrorists from jail, what have we got from Gerry Adams and company? Not one token pistol or ounce of Semtex.

Nearly 60 years ago, Neville Chamberlain arrived back in this country clutching a worthless piece of paper signed by Hitler and talking of peace in our time. We have got a Chamberlainesque character in No 10 now and he has been equally duped by another set of amoral thugs. For Poland 1939, read Canary Wharf 1996.

It is not a ludicrous irony that Margaret Thatcher brook the fall of British military might on the Argentine whilst her successor declares his intention to carry on talking to the political wing of an organisation whose bombers have similar designs on our people and our capital as did Luftwaffe.

Tony Thorne, Bordon, Hants.

THE predictable debacle of Canary Wharf has its origins in two massive pieces of misjudgment. The first was by the IRA/Sinn Fein in making at least a tiny concession in the decommissioning process. They could have re-armed without the slightest difficulty.

The second error of judgment was by the UK Government in not accepting the main findings of the Mitchell Commission in relation to decommissioning. It was a respected and independent body and there seems little point in setting up such machinery and then ditching it if you don't like the findings.

The next step is for both sides to publicly accept that they got it wrong and take appropriate steps to demonstrate that they can get it right. Everyone makes mistakes but not everyone has the courage (or humility) to admit it.

Dr Ewan McLeish, Ferry Lane, Medmenham, Marlow, Bucks SL7 2FB.

WE are constantly being told that the "democratic process" is the best way, the only way, to resolve conflict. That being so why cannot the people of Ireland (the whole of Ireland) decide the future of their country? Is not the existence of Northern Ireland a denial of democracy? D M Gough, Southbourne, Bournemouth.

THE Canary Wharf bomb has exposed Gerry Adams as an impotent political poseur, who was either not informed of the IRA's intentions, or was unable to dissuade the bombers from renewing their so-called military activities. Either way, the once barely acceptable political face of militant Irish republicanism has been sidelined by the skulking murderers for whom he purported to speak. It was a high price to pay but the bomb may have silenced Adams more effectively than Margaret Thatcher's broadcasting gag ever did.

Mike Bird, Chorleywood, Herts.

THERE can be no solution in Northern Ireland in which Sinn Fein is made subject to British sovereignty, or in which Ulstermen become subjects of Eire. A radical, non-sectarian solution would devolve power downwards to the six counties and upwards to Europe.

Powers devolved downwards would be those where fair treatment of minorities could be confirmed by measurement. The counties would deal with solid, local, vital but

uncontentious issues in Irish terms. Policing, as in US states and UK counties, would also be a local matter, and thus less political. Power evolved upwards would be in those (many) areas in which European legislation has already been enacted and which can be seen to be sufficient for government of Northern Ireland. Examples are human rights, employment rights, control of pollution. It would also have to include foreign and military issues.

For Ulstermen, the government of Eire will have no more jurisdiction over the six counties than they have over France. For this, Ulstermen give up representation in the UK parliament, which will no longer influence their lives.

For Sinn Fein, British control passes to the European Union — which many of them already support. Sinn Fein would then give up the idea of union with Eire. For the Eire government, a reduction of English influence in the island of Ireland is significant. For their part, they give up the idea of a United Ireland.

There would be a 20-year plebiscite to safeguard the Ulstermen. If the majority wished to return to the present state of an integral part of the UK that would be available to them.

Prof Peter Gardiner, Lewes Road, Laughton, East Sussex.

CURIOUSLY, the Government has endorsed talks with others formerly considered terrorists, and even war crime suspects, in the former Yugoslavia and in Palestine. It seems that on Ireland the British concern has been to save face and parliamentary seats rather than lives.

Felicity Arbuthnot, Homerton High Street, London E9 6AJ.

NORTHERN Ireland lacks political maturity. Its people, conditioned by years of violence, sectarianism and political intransigence, have embraced the politics of binary opposition as opposed to consensus-building and conciliation. Moreover, the authentic task of guaranteeing amity through the unity of inter-community purpose has been undermined by allowing the politicians who had done so much to mutilate stability and peace to act as our representatives.

We need a mutual acceptance that unionism and nationalism cannot operate without the perpetuation of sectarian division. The only solution is a re-dedication of Northern Irish politics in which reconciliation starts at home and charity is shown to everyone.

Dr F Shirlow, School of Geosciences, Queen's University, Belfast BT7 1NN.

THE person who has the key to the way ahead is Tony Blair. Labour should give a firm public commitment that until the next general election, if the ceasefire is reaffirmed, then if any vote is lost by the Government that would have been won with the support of the unionists,

NO progress will be made so long as the IRA are treated as sub-human terrorists rather than freedom fighters. They see themselves as an army of liberation, and an army loses face if it gives in or gives in its weapons; it might, however, be willing to talk terms. Like Hong Kong, the province cannot remain a crown colony forever.

Roger Kemp, Nicholas Haysom, Springvale Road, Kings Worthy, Winchester, Hants SO23 7ND.

THERE must be a general election now so that peace in Ireland isn't at the mercy of the Tory majority.

Linda Karlson, Leppoc Rd, London SW4 9LS.

Too little, too late

Albert Reynolds

WHEN John Major and I started on the peace process over three years ago, most people thought a ceasefire could not be achieved and would not last more than a month or two if it were. The peace process was always fragile, and needed injections of life-blood to keep it moving. It was never going to be easy but everybody had to get involved. If we had done nothing, hundreds more would have died.

In all the dealings I had with the republican leadership and the loyalist paramilitaries, they were honourable and kept their word. Now they have a very strong sense of betrayal. Commitments were made in the Downing Street Declaration which were not kept. New preconditions were introduced which would not have been easy for the republican leadership such as Gerry Adams and Martin McGuinness, who courageously led their community into political involvement, should have received more support by true political activity, but not none.

Decommissioning was never a precondition of the Downing Street Declaration and the insistence on it created serious problems. It was made clear from early on that it was unacceptable and unachievable.

The response on prison policy was, if anything, more hard-line than before the ceasefire. That began to raise questions about the commitment of the British to the process.

Initially the delays were seen by Sinn Fein and others in the Republic as a way for John Major to get over his domestic problems and to allow unionists time to elect a new leader. But after that, people expected movement. When it didn't come, the whole process began to run out of steam.

My belief was that everyone should be at the table and everything should be on the table. No one could be forced to stay at the table, and there should have been no preconditions. But the perception now is that John Major has given in totally to unionist demands. The British government appears to have made a foolish miscalculation that the ceasefire had lasted so long there was no question of a return to violence, so it therefore did not have to do anything.

The principles of the Mitchell Commission got to the core of the issue. The recommendations would not have been easy for the republican leadership to accept, but if all else was going well and they had cleared the way to all-party talks they would probably have accepted them. Those principles would also have

given the unionists assurances they were justifiably seeking.

In Northern Ireland it is dangerous to come down on one side or the other. You have to be seen to be even-handed. John Major was seen to have sidelined the Mitchell Report in favour of a unionist proposal. From the Irish perspective, it seemed that there was an attempt being made to facilitate people. Strong political leadership is about doing things you don't like doing. And the British government had already spoken to Sinn Fein over a long period in secret without preconditions while bombing continued.

No democrat has a problem with elections, but I do not see them in the short term as solving the problem. Everyone knows what the results will be. They are not really intended as a way of getting into all-party talks immediately. By the time we got into elections, we would be approaching a general election in Britain anyway.

The two governments must now start putting their relationship back together to restore the trust and credibility which was the strength of the process up to last Friday. Dialogue and debate is the only insurance against a full return to violence.

Albert Reynolds TD was Taoiseach 1982-84

But why were we so astonished?

Arthur Aughey

THAT acute observer of human nature, the Duc de La Rochefoucauld, believed that the "only thing that should astonish us is that we are still capable of astonishment". The general astonishment of Friday evening when the IRA announced the ending of its ceasefire and exploded a bomb in London tends to confirm La Rochefoucauld's maxim. Why were we all so astonished?

The astonishment did not lie in the shocking and appalling nature of the act itself. Astonishment is not a moral response and has nothing to do with the outrage almost everyone felt at the enormity of the IRA's action. Astonishment lay, firstly, in the apparent irrationality of the act. For those of us tutored in the way of democratic procedures and the civilities that such procedures demand, the act was irrational because it appeared so pointless and so utterly disproportionate to the present political difficulties in Northern Ireland. Astonishment also lay, however, in being confronted by our own self-delusions about the capacity of democratic procedures to attract those who have been committed to violence.

Essentially, what had been asked of Sinn Fein and the IRA was that they should end the fundamental contradiction between enjoying the possibilities of democratic

society based on rules subscribed to by everyone else whilst denying those rules themselves. Republicanism operated on the principle that the end (Irish unity) justified the means — murder, intimidation, extortion. They were being asked to accept the principle that the means (democratic procedures) defined the end — a political settlement based on consent. Furthermore, they were required by the British government to end the contradiction between subscribing to the generalities of peaceful activity while denying its essential condition: the complete renunciation of violence to achieve political goals.

This is what the requirement of arms decommissioning was seeking. Sinn Fein chose to interpret it to mean that the IRA was being asked to surrender to the British, and that this constituted a humiliation. A surrender was being asked of Sinn Fein; but it was a surrender to the principles of democratic procedure. Decommissioning would involve not humiliation but a very public acceptance of the legitimacy of peaceful, constructive political engagement in Northern Ireland. An acceptance of democratic procedures and the start of decommissioning would have sealed a process which could be conducted without duress or fraud.

Sinn Fein never acknowledged the principles of demo-

cratic procedure. The Downing Street Declaration was unacceptable. The IRA would not accept the terms of Senator Mitchell's international body on decommissioning. Sinn Fein did not subscribe to the Mitchell Report's six principles and would not sign up to the terms of the Mitchell report of the Forum for Peace and Reconciliation in Dublin. This suggests that the ideological end remains more important to Sinn Fein than the democratic means.

In other words, the peace process has one distinctive meaning for Sinn Fein and the IRA. Process means an engagement towards a pre-determined end. It is a working out of a law of historical inevitability based on the Irish people's right to self-determination. When the assertion of democratic procedures, such as the consent of the people of Northern Ireland, appears to conflict with that process then, for republicans, the process is in crisis, is threatened, has run its present course. It is politics with a no-loss clause. For Sinn Fein, politics is war by other means. Why, then, did the IRA

return to its campaign now? There are three obvious circumstances. First, the moment of maximum disagreement between the British and Irish governments was selected as a way of trying to deflect blame on to John Major's shoulders. Second, bombing London was a transparent attempt to drive a wedge between the people of Great Britain and the people of Northern Ireland. Third, it was an emphatic and deadly way of saying no to elections.

However, there is a broader cultural explanation. The IRA is rooted in both self-pity and self-righteousness. It is the militant assertion of a sense of victimhood which involves cynical political calculation and ideological dogmatism. The culture of militant republicanism is subject to illusions — such as that it can engage in a little bit of violence and return to the peace process having achieved a renegotiation of the requirements for a ceasefire. In short, violence will deliver what argument cannot. It is the task of the British and Irish governments to disabuse them of that.

Constitutional nationalists justified the peace process on the basis that an all-inclusive strategy was the best condition for a political settlement. This, as John Bruton put it, was "an act of faith". There was always the danger that unionists would understand such a course not as the constitutionalising of republicanism but as

the republicanising of Irish nationalism. Yet Friday's bomb showed that the IRA had jumped ship and had been preparing to do so for some time. It kept to a different faith. What might be done?

La Rochefoucauld noted that no "occurrences are so unfortunate as makes it a non-turn them to some advantage, nor so fortunate that the imprudent cannot turn them to their own disadvantage". Politicians must turn Friday's outrage to the advantage of democratic society and ensure that the IRA's imprudent act goes unrewarded. The opportunity exists for the so-called "Irish peace process" (which we now know was a sham) to be transformed into the people's peace process. It is time for unionists to take the initiative and make it a process with which everyone can feel comfortable. This involves a refashioning of the process rather than its "intensification". Elections must take place.

The politics of the peace process has happened in London, Dublin, Washington and on the media. It is important now to involve and to engage the citizens of Northern Ireland. There is a workable deal to be had. The IRA's bomb must not frustrate its achievement.

Dr Arthur Aughey is senior politics lecturer at the University of Ulster at Jordanstown. He is co-editor (with Duncan Morrow) of Northern Ireland Politics (Longman, published late Feb.)



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Britain passes euro buck, page 12

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Finance Guardian

Farnell hits out at City doubt over £1.85bn bid

Pauline Springett

FARNELL Electronics hit back yesterday at detractors of its proposed £1.85 billion takeover of the much bigger US group, Premier, saying that the proxy votes received so far gave the deal "overwhelming" support. Farnell, the electronics components distributor based in Wetherby, West Yorkshire, said it remained "absolutely convinced of the medium and long-term strategic significance of the proposed acquisition and the benefits that will flow from the combination of the two businesses."

The takeover had "attracted widespread support from leading institutional shareholders, independent researchers and analysts, and from Farnell's and Premier's suppliers and other members of the electronics industry."

Three of Farnell's largest shareholders are understood to support the takeover — Mercury Asset Management with 14 per cent of the vote, Fleming with 5 per cent and Scottish Widows with 6 per cent.

Last week there were indications from shareholders representing around 13 per cent that they planned to veto the takeover, arguing Farnell is paying too high a price and that earnings will be diluted.

The deal will fail unless it is backed by at least 75 per cent of shareholders at next Thursday's extraordinary general meeting in Wetherby. The deadline for the receipt of proxy votes is 11am tomorrow and it is understood that proxies from 25 per cent of shareholders have been received, with 90 per cent of these behind the deal.

Anne Simpson, a consultant

with the investors' advice specialists, Pension and Insurance Research Consultants, said the vote was "still winnable" by the rebels.

The Farnell affair marked a new stage in the development of shareholder power. "This is the first time we've been able to whip up support over a takeover. Generally it is viewed as a 'hands-off' situation by the City," she said.

Last summer's furore over British Gas had changed attitudes. "Institutions are realising they are going to be held accountable. British Gas has put an end to rubber stamping."

Institutions were now acutely aware of public opinion. If the public wrote in to make their views known, institutions would change the way they voted.

Ms Simpson said that in the Farnell case a merger would be less expensive and less hazardous than a takeover.

Standard Life shocked Farnell last week by taking the unusual step of announcing its opposition to the takeover. It looks likely to be joined by Prudential, which has a 6 per cent stake in Farnell. Norwich Union with 3.5 per cent and Legal & General with 1.5 per cent.

Patrick Barton, an investment manager of UK equities at Norwich Union, said that the fund's decision would be taken today and would not be publicised. "We are leaning in a particular direction," he conceded.

"Obviously we take on board what policyholders say and I think we are more aware now that the public is more conscious. But we have always voted on every issue and we have always done it based on what we consider is in the best interests of policyholders."



Steve Xu, left, a manager of BOC China, meets Professor Li Cheng, chairman of Taiyuan Iron and Steel, to inaugurate an industrial gases joint venture in north central China. BOC is set to announce a rise in first-quarter profits tomorrow, expected by analysts to be between \$99 million and \$110 million, against \$89.4 million last time. PHOTOGRAPH: NIGEL ABBOTT

American Notebook

How profits could go up in smoke



Mark Tran

THE tobacco industry has never paid a penny in damages to smokers, but that record is in jeopardy amid accumulating evidence that cigarette companies dissembled on the addictive power of nicotine, and new legal moves by opponents.

The industry's only brush with defeat came when a court awarded \$400,000 (£288,000) to the relatives of a New Jersey woman, Rose Cipollone, until the decision was overturned on appeal.

The basic argument deployed by tobacco companies — that smokers enjoy cigarettes at their own risk — has always triumphed. But that contention looks vulnerable after allegations by Jeffrey Wigand, a former senior executive with Brown & Williamson, a subsidiary of B&W in the US.

Most Wall Street analysts believe that the tobacco industry will wriggle free once more, but some are less certain. Diana Temple of Salomon Brothers believes that a huge smokers' class action suit in New Orleans could make it all the way to the Supreme Court. While that and other lawsuits are unlikely to affect tobacco company profits, she asserts that they will have a psychological effect, driving share prices down.

Even before any trial, Mr Wigand, formerly a vice-president for research and development at B&W, has furnished devastating testimony against the tobacco industry.

rupty of Johns Manville. Mr Scruggs is using money he made then to take on tobacco. The Mississippi suit does not focus on allegations of wrongdoing but on the general theme of justice and equity. The suit, filed by a group of lawyers brought together by Mississippi attorney general Mike Moore, seeks damages of \$200 million on behalf of the state — to cover the expenses Mississippi is said to have incurred to care for poor people with tobacco-related illnesses.

Even if they lose, the tobacco companies are unlikely to sink into bankruptcy, but they will be obliged to bear a greater percentage of the costs picked up by taxpayers.

In their defence, they argue that states are already compensated for smokers' health by the revenue from hefty excise taxes, that smoking imposes little extra cost on local governments — and may even save states money when sick people die young, and that health costs cannot fairly be separated from tobacco's overall contribution to the economy.

Privatisation 'bonanza for firms'

Celia Weston
Industrial Correspondent

PRVATISATION has enabled a small group of multinational companies to dominate public service provision in the Britain and the rest of the world, resulting in cartels, combines and corruption, according to research published today.

Companies act together rather than in competition, combine resources to deal with large projects and ensure that states provide guarantees against financial default. The report, by a union-funded research unit, says advantages claimed for privatisation — that it introduces more competition, more private finance and reduces bureaucracy — are illusory.

Dominant companies are a small group of multinationals which use the same sources of finance as the public sector but do not accept ultimate responsibility for financial or service performance. Corruption goes hand-in-

hand with contracting out and privatisation and there are corrupt practices in Britain and elsewhere, it says.

Examples of how contracting out of public services, compulsory in Britain, has delivered local services into the hands of multinational companies include one company that serves school meals in Bromley, Kent, runs the water system in Buenos Aires, builds roads in the Czech republic and has been convicted of bribing the mayor of Grenoble in France to win the water concession.

The operation of company combines should be a cause for concern, the research report says, citing a British water company which simultaneously bid with and against a partner — making any investigation of possible collusion hard to pursue.

The report, by the Public Services Privatisation Research Unit, cites 163 British service contracts which have been privatised without an in-house bid.

It says the income tax, social security and driving licence computers are run by a US company which has never faced competition from the public sector although, in general, the private sector has no real technical advantages and the performance record of private contractors often compares badly.

A public sector option should always be included in tendering and contracts should be open to public scrutiny, it concludes.

● *The Privatisation Network (E10), PSPRU, 1 Mableton Place, London WC1H 9AJ*

BUT a report in late January by the US Centers for Disease Control in Atlanta found that the direct medical costs of smoking in the US came to \$60 billion a year — more than double the \$21 billion revenue from tobacco agriculture and manufacturing.

A forthcoming study by two University of Michigan professors is expected to conclude that tobacco accounts for a net economic loss in all but six big tobacco-growing states, and that states would gain substantially if people spent their cigarette money on anything but tobacco.

In fact, the tobacco industry is in decline, with employment in tobacco farming and manufacturing down.

For now, however, tobacco companies continue to rake in profits. RJR Nabisco is under siege from corporate raiders Carl Icahn and Bennett LeBow because they covet the company's cigarette business. Mr LeBow, owner of Liggett tobacco, wants the company to spin off its food unit and merge the RJ Reynolds tobacco group with Liggett so he can rule over a huge cash cow.

Nabisco argues that a spin-off now would trigger lawsuits by anti-tobacco plaintiffs who could claim that the company was trying to shelter its tobacco assets under the food unit. But that contradicts RJR Nabisco's earlier argument that litigation against the tobacco industry is unlikely to succeed.

The confusion is a fair sign of the company's nervousness.

DURING CBS's prime-time 60 Minutes programme, he alleged that tobacco companies covered up evidence that nicotine is addictive, that they manipulated the level of nicotine in cigarettes and that tobacco executives lied under oath about these matters in front of Congress.

The programme appeared after the Wall Street Journal had published a lengthy article on Mr Wigand's deposition in Mississippi, which is suing tobacco companies to recoup millions of dollars spent treating smoking-related illnesses.

The tobacco companies are now marshalling arguments to counter that of "unjust enrichment", being used by Richard Scruggs in the Mississippi case.

A veteran of the asbestos wars that led to the bank-

Damages 'could bankrupt Merrett'

Pauline Springett

STEPHEN MERRETT, a former deputy chairman of Lloyd's of London, could be forced into bankruptcy by a demand this week to pay damages to Names who lost money after they invested in syndicates run by the Merrett Underwriting Agency.

John Mays, chairman of the Merrett Names action group, said he was expecting an interim payment judgment "any time now". The judgment relates to the agency's landmark High Court ruling, which said that nearly 2,000 Merrett Names, who had lost million of pounds at Lloyd's, had been the victims of negligence, underwriting and auditing. The Merrett syndicates were badly hit by pollution and asbestos losses in the US.

The Names are expecting total damages of around £200 million. Mr Mays said

he believed this week's interim judgment would order an initial payment of around £10 million.

"If we get the judgment we expect and we execute it against Stephen Merrett we could force him into bankruptcy," he said.

Mr Merrett was the main underwriter on syndicate #18. The Names will also demand payment from the Merrett Underwriting Agency, around 60 members' agents and auditors Ernst & Young.

After last year's hearing, Mr Justice Cresswell said he had serious reservations about Mr Merrett's approach as an underwriter.

Following the court ruling, Lloyd's launched its own inquiry into Mr Merrett's activities.

● *The Commons Treasury and Civil Service select committee is due to reopen its inquiry into Lloyd's today with an appearance by the trade minister, Anthony Nelson.*

News in brief

Chinese order for Airbus

Airbus Industrie, the European consortium recently outbid in a series of key orders by its bigger rival, Boeing, is set to win a crucial Chinese order for up to 46 aircraft, worth as much as \$4 billion (£2.6 billion).

Agence France Presse and the Hongkong Standard both reported that Chinese premier Li Peng told visiting French foreign minister Herve de Charette on Friday that China would place an order for between 30 and 40 A310s and six A340s.

The Airbus partners are France's Aerospatiale, British Aerospace, Deutsche Aerospace, and Spain's Construcciones Aeronauticas.

Technology plan is aimed at smaller companies

Nicholas Barnister
Technology Editor

THE Government is to spend tens of millions of pounds in an attempt to increase the use of information and communications technology by small and medium sized businesses.

Trade and Industry Secretary Ian Lang is later this week to announce a new scheme aimed at showing smaller firms how even quite restricted uses of technology can boost their business.

One of the case studies being used is that of a family-run hotel which is receiving more than 50 inquiries a month from all over the world after it started to advertise on the World Wide Web, the fastest growing sector of the internet.

At the other end of the scale is a fertiliser manufacturer based in Great Yarmouth which uses satellite images to pinpoint parts of a field which need attention and then uses positioning information from satellites to direct tractors to the right spots.

Ian Taylor, the science and technology minister, says the scheme is aimed at demystifying technology. "Our view is that we cannot wait for the next generation, which is more familiar with new technology, to come through," he said. "Many companies should be deploying technology which will transform or protect their businesses now."

CBI clocks on

Most businesses want the UK to move to Western European time, moving clocks in Britain an hour forward throughout the year, according to the Confederation of British Industry.

FI to seek listing

FI Group, specialist supplier of stand-alone applications management to firms like Royal Insurance and Tesco, is to seek a Stock Exchange listing this spring, it disclosed yesterday.

The group, bought out by its workforce in 1992, is expected to have a market capitalisation of around £80 million.

This week

THE banks' reporting season gets under way on Friday when the new Lloyds TSB will report possibly the strongest growth of any bank.

The picture could be complicated by restructuring charges of up to £350 million and the acquisition of Cheltenham & Gloucester Building Society for which five months' results will be included. The bank will publish several sets of figures but most analysts are looking at a straight year-on-year comparison of the Lloyds TSB Group.

Robert Law of Lehman Brothers expects the group to make a profit of £2,655 million before any exceptional

charges, 14.6 per cent up on 1994. John Leonard of Salomon expects £2,024 billion, and Michael Lever of James Capel forecasts £2,007 billion.

Both BP and Shell have benefited from firmer crude oil prices. Shell should show a rise from £4 billion to £4.48 billion for the full year. BP expects BP to end the year with a dip in overall profit from £1.5 billion to £1.1 billion.

TODAY — Interim: Amour Trust, Swan
TUESDAY — Interim: BOC (C1) — Finance: British Petroleum (C4), Inso Banking, Reuters, St. Modwen, TR Pacific, WIDENEDAY — Interim: Halton (C1); Finance: Fyfe Power, Lloyds Abloy Life, Vardon, AGM, Daily Mail & General Trust.
THURSDAY — Interim: Armitage, Paterson, Finance: C.M. Greentree, Mercury Bonds, Royal Dutch/Shell, West Holdings
FRIDAY — Interim: Erico, Finlay Barrow Tribune

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Bank tries to reassert authority

Larry Elliott
Economics Editor

THE Bank of England is voicing growing discontent at the way the Government conducts monetary policy, after a series of defeats at the hands of the Chancellor, Kenneth Clarke.

With its advice on interest rates repeatedly rebuffed, the Bank is privately deeply unhappy with parts of the anti-inflation framework set up after Britain left the Exchange Rate Mechanism in 1992. The short-term focus of the tension is the minutes of the monthly monetary meeting, released six weeks after Mr Clarke meets the Governor, Eddie George.

Threadneedle Street's argument is that the minutes give a lopsided account since they contain only the advice given by Bank officials and give no clue as to what the Treasury's mandarins said.

The Bank says that last May, when Mr Clarke refused to raise rates, the minutes failed to reflect that the Chancellor ignored the advice not only of the Governor and his staff but Treasury officials too.

As late as August, the Bank was being asked by hawks in the Treasury why it was not taking a more sensitive line on interest rates. The Governor declined to intervene not only because he knew he would be rebuffed, but because the minutes would exacerbate signs of a split.

The Bank's frustration is indicated by its insistence on presenting its advice in writing to ensure it is transcribed in the minutes correctly.

In the longer term, senior officials argue that the struc-

ture of monetary policy-making is untenable. They believe that there is no real prospect of going back to the pre-Black Wednesday arrangement — when the Governor was told what to do by the Chancellor and that ultimately the Bank will be given full operational autonomy under parliamentary scrutiny.

Most City analysts believe that for the time being the Chancellor remains in the ascendancy and will have a further quarter-point off base rates in March.

Bank officials believe the Governor's advice last summer could start to look far sounder as this year wears on, with tax cuts, building society windfalls and the proceeds from maturing TESSAs pushing up both consumer spending and inflation.

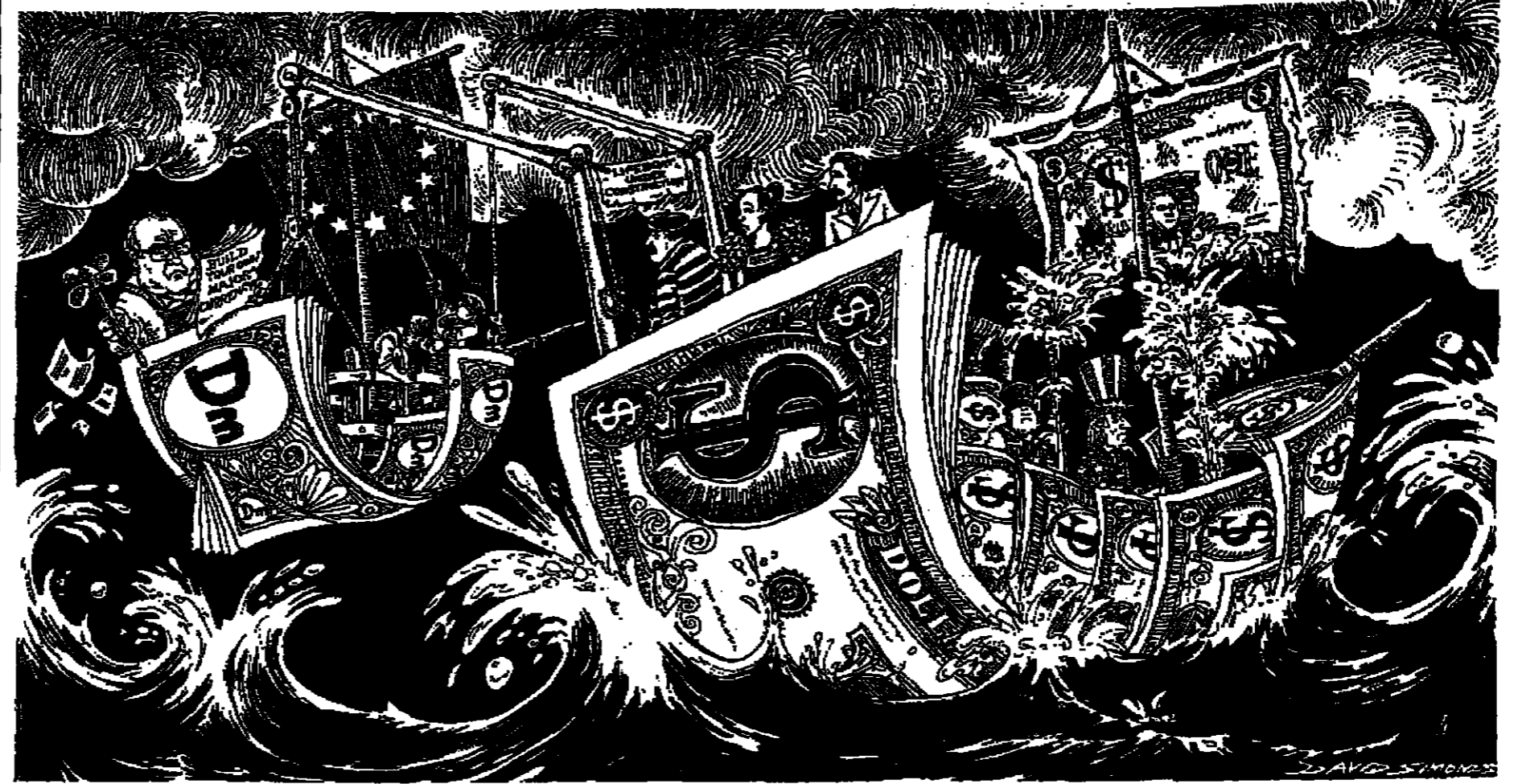
In an article for this week's quarterly bulletin, the Bank says that along with other countries with poor inflation records, Britain has moved towards a system in which the central bank is more accountable and transparent.

The report, co-authored by the Bank's economics director, Mervyn King, adds that international comparisons show that accountability and transparency serve as partial substitutes for independence, rather than as complements.

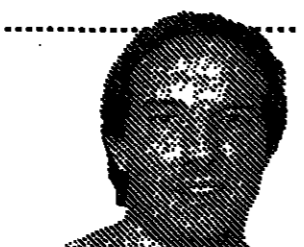
Citing the Bundesbank, the study concludes: "Countries with a good reputation for low inflation seem to be characterised by relatively low levels of accountability, and conversely for countries with less respectable inflation track records."

"This is consistent with accountability having also served as a partial substitute for reputation among central banks whose monetary frameworks have yet to establish themselves fully."

The entire EU should shoulder the weight of international diversification out of dollars



Britain passes the euro buck



Will Hutton

CHANCELLOR Kohl may regret his case, but in essence he is right. Europe has never managed to organise itself into a stable system of nation states in the past, and it is unlikely to do so in the future.

If the process of European integration is stalled, the Continent might not lapse into war in the lurid way he described in his Louvain speech, but things could become pretty tense all the same.

Left to itself, it is probable that the present European apparatus might have a better-than-even chance of rubbing along roughly as it is today. Europe's political institutions and the single market would remain, and the great post-war achievements would gradually become more entrenched even as they were reformed and modified. There need be no grand schemes for monetary or political union.

But Europe does not operate by itself, it is part of a global system whose malfunctions directly impinge on the Europeans — and which is the prime source of European destabilisation.

The Conservative and Labour leadership alike would clearly love to believe in the juggling-along-as-we-are option, obviating the need for hard choices and relieving the British of continual German pressure for more integration.

Yet the one thing that is clear about modern Europe is that the status quo is not sustainable. Moreover, the British interest, notwithstanding the outpourings of the Conservative right and some on the left, does not lie in a return to the European status system. Britain, as one of the weakest European economies, would be the loser.

The clearest example is money. If there was a stable international financial system with a solid anchor currency, and no solid anchor currency, Europe could create a zone of comparative currency stability so the single market was not wracked by competitive devaluations, either by operating a fixed but flexible exchange rate system or an even more flexible system of economic co-ordination around common inflation targets. The rationale for the single currency would fall away.

But there is no stable international financial system, and no solid anchor currency. The world currency is the depreciating and volatile dollar, and the system is the anarchy of floating exchange rates.

During the cold war — at the same time as its economy was dwindling in relative size — the US could escape from the strains of running an escalating trade deficit with countries it wanted to pull into the western sphere of influence while pumping out foreign investment and spending huge sums on defence. It simply swamped the world with dollars which Europe, anxious to trade, and banks and wealth holders were compelled to hold — in part because it was a geo-strategic obligation and in part because there was no alternative. But the old rules no longer apply.

The cumulative effect of 25 years of American current account deficits is a huge mountain of unwanted dollars — and no good reason to hold them. The US is indifferent to the international value of the dollar — its interest rates are set not to compensate dollar holders for their capital losses but wholly on the demands of the US economy.

As a result, the dollar is steadily unwinding its role as an international currency. This is where the difficulty for Europe begins. Central banks and multinationals do not want to diversify into pounds, lire or even French francs; they want currencies that hold their value — in other words the yen and the mark.

Germany, in this respect, is a prisoner of its own remarkable success in marrying low inflation with steady if unspectacular growth. The mark is continually appreciating.

Thus Europe is trying to construct a zone of currency

port increases into France and Germany, as a result of the devaluation of the peseta and lira. The situation is likely to unwind soon.

The one reliable fact in the foreign exchange markets is over 1993 and 1994 and so preserve the German model, but the last thing the international financial system permits is time.

The best response is to Europeanise the problem so that the entire European economy shoulders the weight of international diversification out of dollars — and the euro can emerge as a new world currency.

Much is made of the necessity of meeting the Maastricht criteria if the euro is going to be a hard currency, but the weight of dollar liquidity moving into euros will be perfectly sufficient to ensure it remains hard, given a modicum of sensible economic management. It will not be so hard as the mark, but as Germany cannot live with a currency that strong it is a pointless comparison.

Why should other European countries give up their autonomy to help Germany, and to a lesser extent France? The answer is if the problem cannot be Europeanised, then Germany will start to look for bilateral solutions. It might form a currency bloc with its satellites and insist that single market privileges are available only to its members; it could attempt to do a bilateral deal with France on the same basis.

Britain will look for allies to balance the rising power network; balance-of-power politics will be back with vengeance — but this time, Conservative analysts please note, Britain will be playing the game without an empire or a robust US ally. German GDP is nearly twice Britain's, and over the low-growth 1990s the gap has widened, with

fat cats, "privatisation consultants" and insider dealers. In one year, he suggested 44 judges who had taken bribes to give false judgment. The Treasury and the welfare state would have been in considerably safer hands. His revenue was exactly apportioned and allocated; and one clear moiety of the money paid into his treasury was applied in works of charity and piety. "Working people might be enjoying a better deal had Anglo-Saxon society had a chance to survive into the 20th century. In the treatise of Elfric, the labourer is described as one of the three pillars upon which stands the throne (the priest and the warrior are the other two). Downsize the worker and you downsize the whole of the state with him. Ironically, given that the Saxons expended so much energy fighting them, the Danes have perhaps the closest modern-day equivalent of our hypothetical Anglo-Saxon economy: generous welfare, lots of jobs and high living standards. But it could be that the Anglo-Saxons would have self-destructed anyway. In Palgrave's preface, his imaginary Saxon narrator notes: "We are strangely fond of novelty. Since the days of King Egbert, we have been accustomed to consider the French as the very patterns of good government and civilisation. Nothing changes."

Nothing changes.

Too much capital chasing too little quality, says IPPR

Richard Thomas reports on surprise conclusions from a left-wing think-tank

BRITAIN'S dismal investment performance has been much, rather than too little, available capital, the Institute for Public Policy Research, a left-of-centre think-tank, says today.

Contradicting conventional Labour wisdom that companies are hampered by lack of cash, the IPPR claims that finance is easily available, but that insufficient attention is paid to the quality of investment plans.

David Rough, director of investment at legal and general, criticises the volume, says institutional investors have supported rights issues too enthusiastically.

"The City's failure is not so much in being short-termist," he writes, "but in the criticism should be for not having made capital sufficiently scarce."

Mr Rough says finance houses need to spend more time with companies, carefully scrutinising capital spending plans, rather than simply doling out money in the hope of high returns.

Even small firms — which often complain of inadequate financing — have access to sufficient funds, according to the report, produced by the Institute's Commission on Business and Public Policy.

But there is a problem in the type of cash made available and the relationship between the lender and borrower. In the case of small

and medium-sized firms, there is still too much reliance on overdrafts rather than equity funding.

High-technology start-up firms find it difficult to attract funds, partly because lenders rarely understand the nature of the business.

One of the authors, David Storey from Warwick University, laments his "hairdresser versus PhD problem". Although knowledgeable intensive ventures are the most likely to succeed, hairdressers can raise capital more easily because the bankers know what they are dealing with.

Some of the blame for the quality of investment is placed at the door of British entrepreneurs who, according to Mr Rough, are more risk-averse than their US colleagues.

"UK entrepreneurs want the banks to take the risk, and pay the price," he says. "In the UK, it is always someone else's fault."

The companies which have most difficulty attracting cash are neither small firms, which can generally borrow from their bank and claim government support, nor big corporations, which can readily raise funds on the capital markets, but those in between. Steve Robson, a Treasury finance director, describes them as the "Cinderellas of the debate".

The report lambasts the larger UK companies for merger mania, which is distracting them from long-term prospects. Management and financiers have both spent too much time on cash-hungry takeover battles, instead of focusing on the "organic" growth of their own companies.

Could finance do more for British business? IPPR, £5.50.

Indicators

- TODAY — GBR Retail Sales (Dec), UK Producer Output Prices (Jan), JPI Trade Balance (Jan)
- TOMORROW — JPI Machinery Orders (Dec), US Employment Cost Index (Q3), WEDNESDAY — UK Unemployment (Jan), UK Average Earnings (Dec)
- UK BoE Inflation report (Q1), THURSDAY — GER Bundesbank Council Meeting, UK Retail Price Index (Jan), US Factory Orders (Nov/Dec), FRIDAY — UK Public Sector Borrowing Requirement (Jan), UK Industrial Production (Jan), Source: Kluwert Benson Securities Ltd.

Tourist rates — bank sells

Australia 1.57	France 7.52	Italy 2.360	Singapore 2.12
Austria 15.30	Germany 2.2000	Malta 0.5490	South Africa 5.42
Belgium 45.00	Greece 370.00	Netherlands 2.4750	Spain 185.00
Canada 2.05	Hong Kong 11.65	New Zealand 2.23	Sweden 19.80
Cyprus 0.7075	India 67.06	Norway 9.64	Switzerland 1.750
Denmark 8.53	Ireland 0.9575	Portugal 229.00	Turkey 93.818
Finland 7.01	Israel 4.80	Saudi Arabia 5.98	USA 1.5000

Supplied by NatWest Bank (excluding Indian rupee and target shares) as at close of business on Friday.

Breaking with pioneer spirit

Briefing

Sarah Ryle

NEW ZEALAND has been a land for pioneers since the first settlers put down roots in 1838. An economic, social and political landmark was reached when, in 1985, it created the world's first welfare state and it was also the first country to give women equal voting rights.

The country's latest ground-breaking measure has made it the envy of right-wing economic and political thinkers around the world but the radical, neo-liberal economic blueprint was implemented by the New Left.

Labour won the snap election of 1984 after nine years of Conservative government under Robert Muldoon — and the policies of finance minister Roger Douglas would frighten off even the most ardent Blairite. International organisations, including the OECD, have credited the ensuing economic experiment with turning New Zealand's economy around from the 1984 liquidity crisis and have held it up as an example to the rest of the world.

But New Zealand academic Jane Kelsey challenges the benefits of the experiment in her book, *Economic Fundamentalism*, published in Britain this month. She documents the impact of this economic blitzkrieg (Douglas's term, not hers) and concludes that the benefits have been very narrowly distrib-

uted and that the reforms have disadvantaged many. Even the OECD observed (in a 1993 profile) that six years of Rogeroomics — market liberalisation and free trade, financial deregulation and the mother of all privatisation programmes — had yielded little benefit.

In 1990, New Zealand suffered a 6.1 per cent fall in GDP growth compared to an OECD average of 2.6 per cent, high and rising unemployment (7.7 per cent compared to the OECD standardised average of 6.1 per cent) and high real interest rates. But the OECD did not blame the blueprint for the failure, in-

stead attributing the poor performance to the way the theory was implemented and the environment it existed in. And so the government which came to power in 1990 was able to continue the revolution based on a monetarist, anti-inflationary regime.

The move away from a pro-

tection economy to an open one was accelerated; foreign investment rules were relaxed; goods and services tax was introduced in 1986 on all final domestic consumption at 10 per cent, raised to 12.5 per cent in 1989.

Combined with a reform of direct taxation, bringing the top rate of tax down to 33 per cent, the fiscal system became significantly regressive. The poor also suffered from the virtual demolition of unions and the erosion of benefits. Forcing schools and colleges to respond to market forces led to an imbalance in training. Professional courses boomed, says Ms Kelsey, but

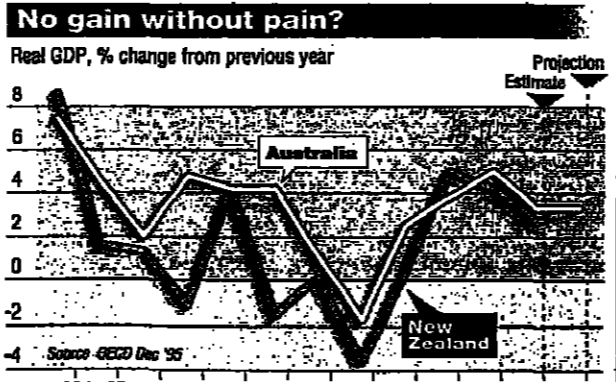
1 per cent. Unemployment rose from 4 per cent in 1986 to 8.1 per cent in 1994 (peaking above 10 per cent on the way). The economy picked up in 1993 as unemployment fell. But Ms Kelsey says that the signs in 1995 were that the economy was weakening once more and she also counts the social cost behind any headline success. By 1993 one in six New Zealanders was living below the poverty line.

She challenges the New Zealand Labour party's insistence that the 1984 reforms were necessary, pointing to Australia, where reforms have been slowly introduced and increased labour force liberalisation matched by a raised social wage. This is why British New Labour looks not to New Zealand but to Australia as a model for reforming an economy while preserving such fundamentals as the social contract.

But is either economy an example for Britain to emulate? Both seem to have reached the same economic position (see graphic) and market analysts argue that the Australian economy is too prone to inflationary pressure and should speed up its reforms. Goldman Sachs analysts, for example, have urged spending restraint to confront inflation and the "chronic current account deficit".

Ms Kelsey is reluctant to exonerate Australia from all of the criticisms levelled at New Zealand, arguing that the goals are similar even if the pace is different — which suggests that neither provides the model Tony Blair is looking for.

Economic Fundamentalism, Jane Kelsey, Pluto Press



Conquering our Norman laments

Worm's eye

Dan Atkinson

THE reverse of a recent circular from a firm of London brokers lists the financial gurus responsible for the insights contained within; you have never seen so many de Vores, French Whites and d'Arcys in your life. Twelve generations after the Conquest, the occupying forces still control the financial future, with a little help from the distant and mortgage laws they passed in earlier centuries to legitimise the activities of benchmen such as the Sheriff of Nottingham, that great liberator of "dormant assets".

To add insult to injury, they have the nerve to call the resulting state of affairs "the Anglo-Saxon system". Trying to guess the likely shape of a truly Anglo-Saxon modern economy — none exists, thanks to the boyementioned Norman gunglers — is a fascinating what-if exercise. A heyday through Sir Francis Palgrave's 1876 *History of the Anglo-Saxons* does suggest that such a system would have turned out to be rather sounder than the one under which we now labour.

It is hard to imagine, for example, Alfred, the greatest Saxon King, having much time for swindlers,

fat cats, "privatisation consultants" and insider dealers. In one year, he suggested 44 judges who had taken bribes to give false judgment. The Treasury and the welfare state would have been in considerably safer hands. His revenue was exactly apportioned and allocated; and one clear moiety of the money paid into his treasury was applied in works of charity and piety. "Working people might be enjoying a better deal had Anglo-Saxon society had a chance to survive into the 20th century. In the treatise of Elfric, the labourer is described as one of the three pillars upon which stands the throne (the priest and the warrior are the other two). Downsize the worker and you downsize the whole of the state with him. Ironically, given that the Saxons expended so much energy fighting them, the Danes have perhaps the closest modern-day equivalent of our hypothetical Anglo-Saxon economy: generous welfare, lots of jobs and high living standards. But it could be that the Anglo-Saxons would have self-destructed anyway. In Palgrave's preface, his imaginary Saxon narrator notes: "We are strangely fond of novelty. Since the days of King Egbert, we have been accustomed to consider the French as the very patterns of good government and civilisation. Nothing changes."

Nothing changes.

Nothing changes.

Nothing changes.

Nothing changes.

Nothing changes.

Field talk for Euro

perial C's final

Soccer

Premiership: Queens Park Rangers 1, Liverpool 2

Fowler heaps pressure on QPR

Martin Thorpe

QUEENS Park Rangers are now in grave danger of going down...

are now second from bottom of the Premiership and six points from safety...

"We were awful," he said bluntly. "When you take your foot off the accelerator it is difficult to get it back on again."

A Rangers goal then would have been just reward for the home side's early domination...

Rangers took over the game and went for the equaliser. And twice it looked on First Division...

First Division: Derby County 0, Wolves 0

Derby Trojans lack a Hector

Commentary

David Lacey

LAST September, when Mark McGhee's transfer loyalties lay with Leicester City...

Chris Powell, an £800,000 full-back from Southend. Powell is a quick, sound defender who has probably found his natural level at Derby...

Middlesbrough 1 Newcastle United 2

Asprilla changes all in an instant

David Hopps on how the Colombian showed he might just be worth £6.7 million

PEOPLE had muttered about the habit of firing guns at carnivals. They even alluded to cocaine...

Asprilla's first request of Newcastle's manager Kevin Keegan, after flying into Teesside only four hours before kick-off...

Asprilla's entrance into English football was exhausting. Newcastle's gabled phone call advising they had received his work permit...



In the balance... the elusive debutant Asprilla feels the weight of a crude challenge from Middlesbrough's Morris

PHOTOGRAPH: MICHAEL STEELE

The Colombian looked disoriented, oblivious to the frenzy around him, but his footballing intelligence was unmistakable...

minutes later was exquisite: a leisurely sway to defeat Vickers, and the calmest of left-wing crosses for Watson to head the equaliser.

ful back-heel through Morris' legs left the crowd gasping and Beardley's pass had put him clean through on goal when referee Dunn blew for time.

conservation. "I was thinking about playing him," he said. "but he had not played a full game for Parma for nearly three months..."

they're not good enough. They say, why not bring in the juniors? I say, they are not there. When I became Newcastle manager...

Manchester United 1, Blackburn Rovers 0

No edge but Sharpe finish

Cynthia Bateman

MANCHESTER United, having won the lottery in the form of a £60 million sponsorship in mid-week, are now left with the more immediate problem of whether they will ever be able to get the cork out of the champagne bottle.

Alex Ferguson. But patience was the last thing this game needed, with United never out of first gear to meet past Blackburn in snail-pace mode. Sparkle there was not.

Thankfully Cantona's repertoire still had some surprises left and he released these little treats - a smart back-heel here - a threaded pass there - at regular intervals, a saline drip to a match that was otherwise dying on its feet.

Coventry City 1, Chelsea 0

Atkinson's men get the better of the bumps

Russell Thomas

COVENTRY eagerly raised their stock and refurbished some reputations at the expense of Chelsea, whose lofty status was knocked into harsher perspective on the distinctly rough terrain of Highfield Road.

can be expected from his chairman Ken Bates, who wants to tie the Huddle to a new Stamford Bridge contract next month.

For the third successive game Whelan took possession on the right side of the area, this time supplied by Richardson's subtle pass, advancing and waited for the goalkeeper to commit himself before chipping over his body.

Advertisement for Mercury Communications, including contact information and a form for business details.

At times we lack a cutting edge," admitted Ferguson, awarding his side only seven out of 10. Asprilla's arrival on Tyneside underlined the point.

around Alan McLaren but his tongue and the middle finger of his left hand extended in the direction of an unseen opponent.

Gascoigne gestures test Smith's patience

On Saturday, though, Gascoigne was rightly cautioned for another antagonistic gesture towards the visiting defender McCart - two fists pushed under his nose - after the latter had brought down Gascoigne to concede the penalty from which McCoist scored Rangers' winning goal.

Crystal Palace 0, Sheffield United 0

Noades Messiah has much to do

Mark Redding

RAY LEWINGTON walked off along the rumbling track alone, his head bowed, a picture of dejection. Ron Noades had his latest Messiah who was even now bounding on to the pitch, glad-handing new and old players alike.

said. Basset was being hired for his "motivation and management skills". The new manager said of Palace on Saturday: "I was pleased with their attitude and their enthusiasm."

On Thursday Dave "Harry" Basset had been installed as the third manager in nine months at Selhurst Park. By Saturday evening he had equalled his previous stay - the three days he spent there in 1984 before deciding he had made a dreadful mistake and returning to Wimbledon.

On the evidence of this drab draw, whose only excitement came when Fletcher was sent off in the 87th minute for lunging at Hutchinson, Lewington's approach is intelligent but over-defensive. It has, however, lashed Palace to a position of safety and extended their unbeaten run to eight in the league.

Did he think he been given a fair crack of the whip? "I don't really want to get into that. The chairman's made his decision and that's it as far as I'm concerned."

Crystal Palace: Harry, Edworthy, Davies, Roberts, Gordon, Roger, Wilson, Ward, White, Cousins, Patterson, Whitehouse (Hodgson, 82), Hutchinson, Angell (Smith, 87).

Patrick Glenn

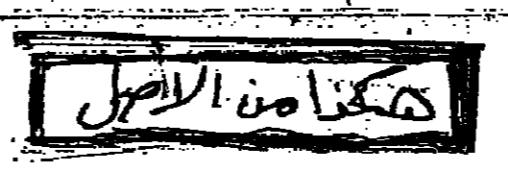
PAUL GASCOIGNE looks to have caused further disciplinary problems for the Rangers manager Walter Smith with more provocative gestures during Saturday's 3-2 victory over Motherwell.

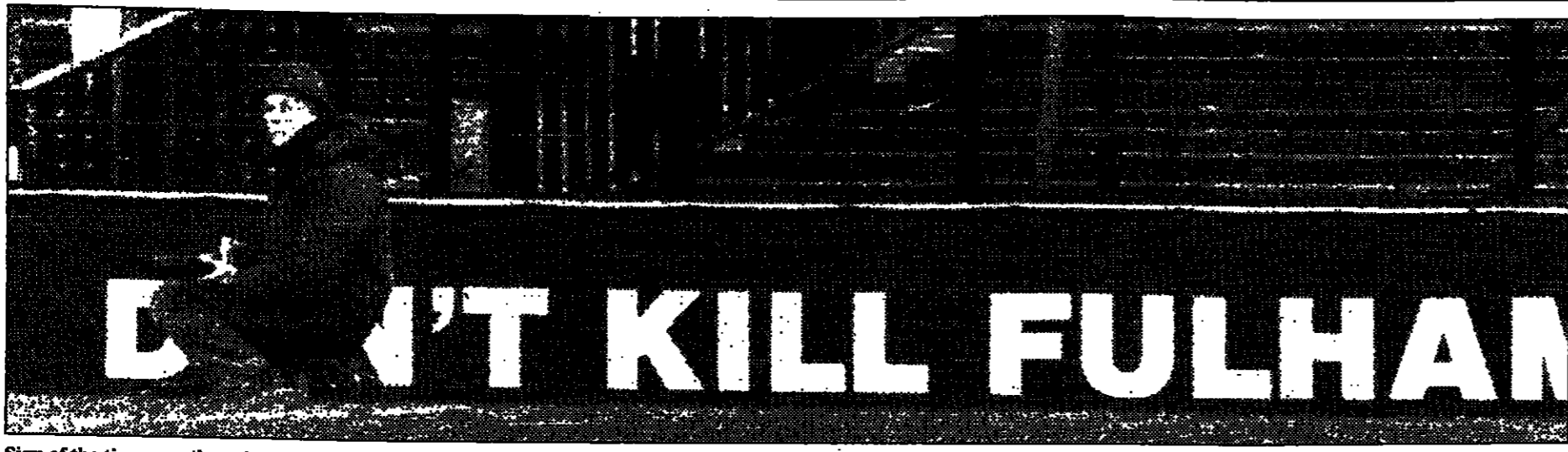
Gascoigne could hardly have timed things worse, as only the previous evening Smith had defended his enigmatic midfielder, wounding aloud why he was being picked on by referees and implying that many of the player's nine cautions had been unjust.

Smith implied that Gascoigne had been booked for celebrating the penalty only a week after being similarly punished for a protracted celebration of a goal he had scored against Partick Thistle.

It should have been a happy weekend for Rangers, whose home victory extended their lead over Celtic, who could only draw 0-0 with Falkirk, to three points.

bring them more problems in the shape of Scottish FA action. It is understood that the authorities have already had cause to write to the Trojans club about his on-field antics and were promised that their comments would be heeded.





Sign of the times... the going is tough for the club that lured only 2,700 supporters to Saturday's 2-2 draw with Hartlepool

FREEFALLING FULHAM STILL UNDER A CLOUD

Martin Thorpe at Craven Cottage sees a team down on their luck and managing to plumb new depths after 99 years

THREE successive defeats had left Fulham second from bottom of the Football League, a mighty fall from the days of Haynes and Mullery, Best and Marsh. But on Saturday the team were 2-0 up against Hartlepool and, by the current team's modest standards, cruising. Crisis, what crisis? Final score 2-2.

To make matters worse, both the offending goals came from Joe Allon, whom the home fans had spent much of the game cheerfully taunting with chants of "you tub of lard". It was enough to make them blubber, and summed up not only this season, but the past 20 as well.

How many times have Fulham supporters had their hopes raised — promoted to the top of the league, a succession of new managers, various rescue packages for the ground — only to see them dashed, an insidious form of torture that can get to a person's soul. Perhaps that explains the leaflet being handed out on Saturday which began "Branfoot Out" and ended "we also hope you die soon. Leave now Branfoot — while you still can".

Eighteen months into the job, Branfoot has led Fulham to the lowest League position in their 99-year

in confidence. Only Torquay stand in the way of Fulham tumbling into the Fourth Division.

Branfoot is confident that he can avoid the ignominy — "of course we can", he says bullishly. And recent chants of Branfoot Out will not influence the chairman's confidence in him. "The chairman Jimmy Hill," he says, "is not calling for my head. He's calling for the head of the club's in. If we're not careful there isn't going to be a Fulham FC."

Branfoot calls the supporters who have been abusing him at recent games "four-mouthed and ignorant". And though he is sympathetic to Fulham fans' frustrations over the years, he adds: "The chairman is likely to be pleased by the public inquiry, which begins on February 27, to decide whether Fulham can develop Craven Cottage into a 16,000 all-seater complete with shops and flats."

But what will happen if the team went down or the planning application was blocked? Hill has thought about that. "We find ourselves in a corner," he says. "What do we do? Do we give up or keep on battling? We will keep Fulham alive whatever happens."



Tread carefully... Ian Branfoot hears the post-match views of Hartlepool's Keith Houchen

Cricket Laser dazzle fails to lift Cup gloom

Mike Selvey

THE 110,000 people who jammed into Eden Gardens in Calcutta last night saw a dazzle of laser light and ethnic dancing inaugurate the sixth Test Cup. After doubts that it might go ahead at all, it was something to celebrate. But it goes ahead as a devalued competition after the organiser, Pilocon, failed to reach agreement with either Australia or West Indies over the scheduling of matches in Sri Lanka.

Australia and West Indies had both refused to play qualifying matches against Sri Lanka in Colombo in the weeks of January 21's bombing. But, despite assurances that security would be possible the tightest ever seen at a sporting event and offers to fly teams in and out of the country on the day of the match, hours of back-room bartering and delicate negotiation by Pilocon, the International Cricket Council — led by its chairman Sir Clyde Walcott — and representatives of Australia and West Indies, have agreed to impose a solution in the end had to admit failure and suggested that ICC should carry "more clout".

There is no doubt that the stance taken by Australia and West Indies is understandable as it may be, means a split in the cricket world and with both India and Pakistan touring England this summer, the weekend's IRA bomb in London will have been noted in Lahore and Delhi, if only for barbed comment.

Just as John Gummer got his children to eat beefburgers during the BSE scare, so Pilocon is cocking a snook at Australia and West Indies by showing remarkable solidarity and agreeing to send a combined Indo-Pak side, led by the Indian captain Mohammad Azharuddin, for a goodwill game tomorrow in Colombo.

Fairbrother joins injury list

NEIL FAIRBROTHER lengthened England's casualty list yesterday after crashing into a fence during fielding practice. The Lancashire batsman had four stitches in a head wound and was treated for a cut hand.

There should be no doubt about Fairbrother's availability to play in Wednesday's

Basketball Defeats leave Leopards out of reckoning

Robert Fryce

AND so the Leopards fall again and again. East Enders were edged out in hard games on successive nights to fall eight points behind the Budweiser League's leaders and out of contention for the title.

When the bomb went off on Friday night dust fell from the London Arena's ceiling. Several fans failed to get to the game. The Leopards, led by Karl Brown's 24 points, came through the pall to tie the score at 77-77 with two minutes and 16 seconds left, but then gave up seven of the last eight points to lose 84-78 to the London Towers.

At Worthing on Saturday the game turned against the Leopards in the third quarter, from which above the 60-60 mark. Alax Cummins had finished with the top score of 35 points as Worthing held on in the last period to win 86-80. Brown led the Leopards' scoring again with 24 points.

The Leopards' season has turned sour in the past month, in which they have lost four league games — half their total for the season — and gone out of the National Cup in the first round, a team not considered worthy of the Budweiser League when they applied last summer.

Worthing's player-coach Colin Irish scored 38 points to help hold off the Chester Jets last night. The Bears won 89-86 to move above the Leopards into third place, behind the joint leaders, Sharks, who meet at Wembley Court on Friday night. It will be a particularly demanding week for the Towers, who also have to play the Birmingham Bulls twice, tonight and Wednesday, for a place in the National Cup final.

The Thames Valley Tigers survived a 17-0 second-quarter burst to beat the Leicester Riders 77-73 at Bracknell on Saturday night and the Hemel Royals closed the gap on Chester by winning the bottom-of-the-table clash at the Dacorum Leisure Centre 81-65.

Jason Siemon, a 6ft 9in American centre known as Sarge, earned his stripes by picking his way through foul trouble to finish with 21 points and 12 rebounds.

Weekend results

Soccer

COCA-COLA CUP

Semi-final, first leg

Sheff Wed	1	Sheff Wed	1
Sheff Wed	1	Sheff Wed	1

FA CUP

Fourth Round

Sheff Wed	1	Sheff Wed	1
Sheff Wed	1	Sheff Wed	1

Football League

Division	W	D	L	F	A	Pts
1st	10	1	1	18	11	31
2nd	10	1	1	18	11	31
3rd	10	1	1	18	11	31
4th	10	1	1	18	11	31

Football League

Division	W	D	L	F	A	Pts
1st	10	1	1	18	11	31
2nd	10	1	1	18	11	31
3rd	10	1	1	18	11	31
4th	10	1	1	18	11	31

Football League

Division	W	D	L	F	A	Pts
1st	10	1	1	18	11	31
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3rd	10	1	1	18	11	31
4th	10	1	1	18	11	31

TV cuts field down to size, page 13

Gascoigne tests Smith's patience, page 14

Asprilla gives Keegan a ready answer, page 14

Craven images in South-west London, page 15

SportsGuardian

Swinburn poorly after fall

Ron Cox

WALTER SWINBURN, winner of three Epsom Derbys, last night lay unconscious in the intensive care unit of a Hong Kong hospital after suffering a crashing fall at Sha Tin racecourse.

Liffey River, his mount in a race for two-year-olds, jinked left after the starting stalls opened, veered across the track and smashed through the inside running rail, catapulting Swinburn to the ground.

In addition to head injuries, Swinburn has broken some ribs and his collar bone and has fluid on his lungs. A spokesman for the Prince of Wales Hospital described his condition as "poor" but the jockey's injuries are not believed to be life-threatening.

Swinburn, 34, has long been an ardent admirer of racing in Hong Kong, despite having also taken a tumble at the start of a race at Sha Tin two years ago which saw him detained in hospital overnight.

The latest incident is a stark reminder of 1984 when Brian Taylor, who won the 1974 Derby on Snow Knight, was killed in a fall at Sha Tin and the French jockey Philippe Paquet sustained injuries there which ended his career.

Swinburn has time and again proved himself the man for the big occasion. He won the Prix de l'Arc de Triomphe on All Along in 1983 but missed the winning ride on Lammtarra last year when he was controversially replaced by Frankie Dettori.

Swinburn also lost his retainer with Sheikh Maktoum al Maktoum this year but was due to ride in Dubai next month.

CRICKET WORLD CUP OPENS IN A BLAZE OF LIGHT



Oh Calcutta... a crowd of 110,000 witnesses yesterday's glittering opening ceremony at Eden Gardens. Mike Selvey, page 15 PHOTOGRAPH: MIKE HEWITT

Unbeatable Wigan lose at last

The Central Park old boys at Salford break the holders' eight-year stranglehold on the Challenge Cup. Paul Wilson reports

IT HAD to happen one day but increasingly it was becoming difficult to say precisely when. The unthinkable finally happened yesterday when Wigan's eight-year stranglehold on rugby league's Challenge Cup was ended in the fifth round at the unlikely

hands of First Division Salford. Then again, perhaps the Manchester side were not such unlikely conquerors. Wigan might be able to beat prospective Super League teams at will but at The Willows they were up against a determined selection of Central Park old boys.

Cosched by Andy Gregory, who won five of his seven Wembley winners' medals with Wigan, Salford also had a reliable last line of defence in Steve Hampson, a veteran full-back happy to reinforce his claim that the perennial champions had discarded him prematurely.

But it was not just the big names who came back to haunt Wigan. Scott Naylor, a reserve whom even the most dedicated Central Park regular might struggle to remember, weighed in with two important tries in the 26-16 victory. Another Wigan reject, the stand-off Steve Blakeley, kicked five goals and took the Man of the Match award.

There were no complaints from the holders afterwards. "I'm very disappointed but the better side won on the day," said the Wigan captain Shaun Edwards.

Jack Robinson, the Wigan chairman, was equally honest. "Salford beat us fair and square. They seemed to want it more than we did."

Cup ties are never easy at Salford's compact ground, especially when 10,000 partisan supporters are packed in, but the team sheets still stacked up in Wigan's favour.

There seemed no way a side boasting the power of Tuigamala, the pace of Offiah and Robinson and the class of Paul Connelly and Edwards could be beaten by a collection of has-beens and never-weres but Salford suggested an upset from the fourth minute.

Young's touchdown from Lee's kick gave the home side a lead they never surrendered, then Naylor, who three years ago cost Salford all of £15,000, took Lee's pass to score another. Blakeley kicked his second goal, then added a penalty and the First Division side were 14-0 in front.

Tuigamala managed a try for Wigan just before the interval, only for Naylor to restore Salford's advantage early in the second half. Offiah scored under the posts to reduce the deficit to 10 points but Salford more than held their own and put the issue beyond doubt when Martin scored 13 minutes from time.

There was still time for Tuigamala to score his second of the afternoon but it was Salford's volleys past the top bar after 16 minutes. From that moment Birmingham always believed they could achieve a significant lead. Their midfield was tireless in pursuit of space and possession, the gangling Francis, fit fin of arms and knees, became an increasingly awkward problem for Beesley and Wetherall, and always Claridge was harassed.

Coca-Cola Cup semi-final, first leg
Birmingham City 1, Leeds United 2

Whyte slip gives Leeds a glimpse of final goal

David Lacey

LEDS United survived the Birmingham experience uneasily yesterday to move within sight of their first League Cup final for 28 years and their first final of any kind at Wembley for 23.

A 2-1 lead guarantees nothing for the return game but on the evidence here Leeds should have enough attacking nous to go through to meet Arsenal or Aston Villa on March 24.

Yesterday was Birmingham City's day and for a time it promised to be Birmingham's story. Certainly Barry Fry's enthusiastic, hard-working First Division team provided the bulk of the drama.

But in the end Leeds provided the anticlimax, responding to the lead Birmingham had taken midway through the first half with two goals after the interval, the second of these going in off a home defender, Whyte.

For their visit to Elland Road, Birmingham will put their trust in the pace and persistence which for a time yesterday had Leeds grateful simply to keep the ball beyond scoring range. The tie is not over yet.

Yesterday Leeds looked impressive at times, nervous at others. The opening quarter-hour was a demonstration of McAllister's creative skills but, as soon as Birmingham began to sustain pressure, Howard Wilkinson's defence started to dissolve in a familiar fashion.

Nobody encapsulated the spirit of Birmingham better than Claridge, whose career has been spent trudging around football's lowlands. He was more determined than anybody not to let the chance of appearing in a major Wembley final pass. Socks down, shirt and shorts flapping, Claridge announced Birmingham's presence with a marvellous volley past the top bar angle after 16 minutes.

From that moment Birmingham always believed they could achieve a significant lead. Their midfield was tireless in pursuit of space and possession, the gangling Francis, fit fin of arms and knees, became an increasingly awkward problem for Beesley and Wetherall, and always Claridge was harassed.

ing and hustling opponents into error.

St Andrews sensed celebrations were not far away. Sure enough, Birmingham took the lead after 26 minutes. A ball from Sheridan, on loan from Sheffield Wednesday, caught Beesley out of position on its way to Claridge, who nodded Francis through to score with a resounding shot from just beyond the penalty arc.

At this point Leeds, for all McAllister's scolding, had lost their sense of tactical discipline. Yeboah, however, remained a consistent threat to Birmingham's lead.

The Ghanaian's close control and tight turns were ever likely to conjure scoring opportunities. Eight minutes into the second half a mistake by Johnson allowed Wallace to send Yeboah through for the sort of chance he rarely misses and Griemnik was beaten by a low shot into the far corner.

St Andrews looked blue but, after Fry had brought on Donowa and Otto to give his attack more natural width, Birmingham re-established the dominance they had enjoyed in the first half. One dash by Donowa from penalty area to penalty area was especially memorable.

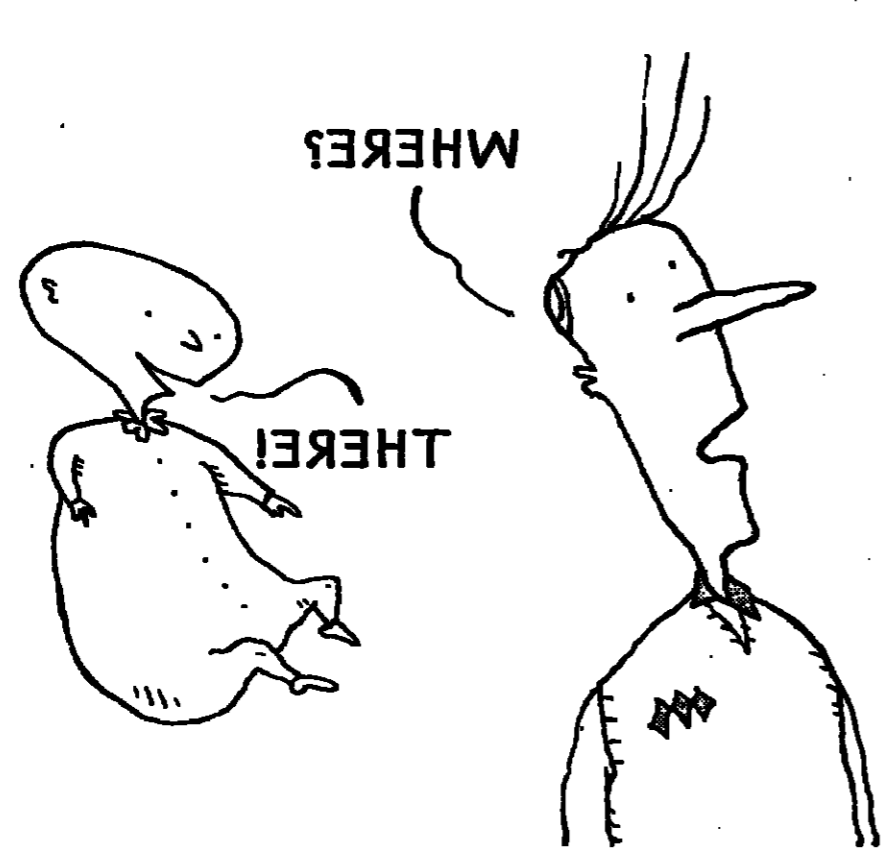
By that time, however, Leeds had gone ahead. In the 72nd minute Yeboah met Kelly's cross from the right with a sharp downward header, whereupon the ball flew up, struck the head of the hapless Whyte and sailed on beyond Griemnik's reach.

With Bowen, another Birmingham substitute, dragging his shot wide in the 88th minute with only Lukic to beat, St Andrews could only reflect on what might have been — or what might lie ahead at the FA. McAllister having been struck on the head in the first half by an object thrown from the crowd.

Birmingham are already under threat of playing a match behind closed doors, following crowd incidents during the First Division game against Millwall in November. Yesterday's occasion did not deserve to be spoiled by more idiocy.

Birmingham City: Griemnik; Bassa; Offiah, Johnson, Frim, Hain, Sheridan (Bowen, 77min), Forsyth (Otu, 88), Cooper (Donowa, 88), Francis, Claridge. Leeds United: Lukic, Kelly, Wetherall, Beesley, Dorje, Palmer, McAllister, Ford, Speed, Wallace (Deane, 84), Yeboah. Referee: K Cooper (Preston).

The WORLD of OLIVER & CLAIRE



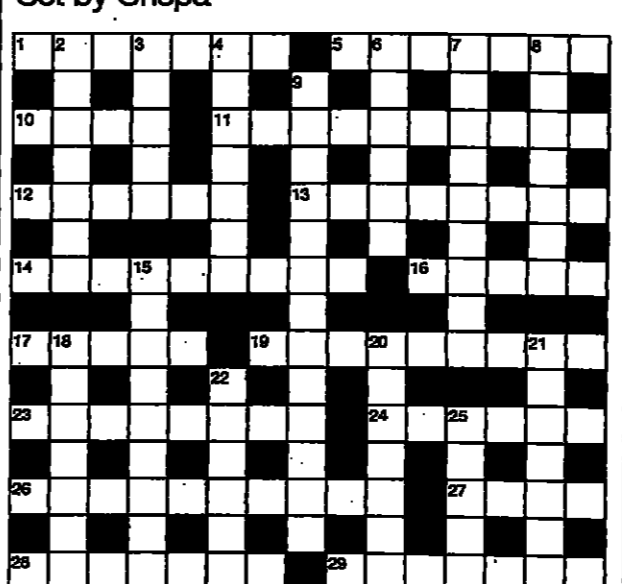
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"I'm bored stiff by Thatcherite right wingers, and I am a Thatcherite right winger. The left can never die because being either left or right is part of the human personality."
Frank Johnson on editing the Spectator

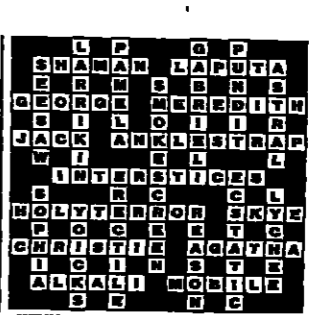
G2 page 9

Guardian Crossword No 20,573

Set by Crispa



- Across**
- 1 Models without work — such shapeless lump! (7)
 - 5 Leaves quietly in chains maybe (7)
 - 10 Game that's exclusively for males (4)
 - 11 Bear with the little page putting on weight (10)
 - 12 Sanctimonious, yet almost making a bit of a bloomer (6)
 - 13 Day's end — flat time (6)
 - 14 Bore takes part free possibly. There's nothing in that (6)
 - 16 Forays made by Round-head auxiliaries (5)
 - 17 Project to cause confusion (5)
 - 19 The woman responsible for a leading light in the cinema world (9)
 - 23 Bed-sit by the Avon which is barely used? (8)
 - 24 Call for more heat after certain points are put (6)
- Down**
- 2 Preliminary plan for striking bar (7)
 - 3 Simple form of illumination (5)
 - 4 Common or very far from common in a tree (7)
 - 6 A supplementary note about cereal costs (6)
 - 7 Right name coined for a nasty experience (8)
 - 8 Concentrated, being somewhat dense? (7)
 - 9 Man test-drive a convertible for publicity (13)
 - 15 Reckless writer after dope (8)



This week's winners of a Collins English Dictionary are B. R. Stevens of Newquay, Cornwall, Mrs. S. E. Humphreys of Dolgellau, Gwynedd, Richard Flood of Oldham, Wiltshire, D. J. Starck of Lee, London, and Andrew Sargent of Rochdale, Lancashire.

18 Get to know about the Calluna (7)

20 Section of the Spanish and French taking people in (7)

21 A suggestion to involve the queen causing a row (7)

22 Building up reserves can be so hot (6)

25 Many blame the box (5)

Solution tomorrow

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